

K# 9483



COLLECTIVE BARGAINING AGREEMENT

Between

EASTMAN CHEMICAL COMPANY

and

United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial and
Service Workers International Union

AFL – CIO, CLC

on behalf of

Local Union 5852-11

October 1, 2014

October 1, 2018

2014 AGREEMENT ~ TABLE OF CONTENTS

Article	Page
ARTICLE 1.....	1
Intent and Purpose	1
ARTICLE 2.....	1
Recognition.....	1
ARTICLE 3.....	2
Membership and Dues Check-Off	2
ARTICLE 4.....	3
Management Functions	3
ARTICLE 5.....	4
Responsibilities of the Parties	4
ARTICLE 6.....	4
Discharge and Discipline Cases	4
ARTICLE 7.....	5
Wages, Hours of Work, and Overtime	5
ARTICLE 8.....	11
Vacation Eligibility.....	11
ARTICLE 9.....	14
Holidays	14
ARTICLE 10.....	15
Probationary Employees.....	15
ARTICLE 11.....	15
Seniority	15
ARTICLE 12 (A)	17
Job Vacancies, Posting, Transfers and Temporary Job Moves	17
ARTICLE 12 (B)	19
General Provisions Job Bidding and Awards	19
ARTICLE 12 (C).....	20
Production Department Bidding Procedures	20
ARTICLE 12 (D)	24

2014 AGREEMENT ~ TABLE OF CONTENTS

Article	Page
Maintenance Department Bidding Procedures	24
ARTICLE 13 (A)	26
Job Displacement (Layoffs and Recalls).....	26
ARTICLE 13 (B)	27
Job Displacement (Decrease in Departmental Workforce)	27
ARTICLE 13 (C).....	29
Job Displacement (Plant/Area/Unit Vacation Shutdowns)	29
ARTICLE 13 (D)	30
Job Displacement (Short Work Week)	30
ARTICLE 14.....	31
Adjustment of Grievances.....	31
ARTICLE 15	34
Leave of Absence	34
ARTICLE 16	35
Company Benefit Plans	35
ARTICLE 17	37
Bulletin Board	37
ARTICLE 18	37
Jury Duty	37
ARTICLE 19	37
Death in the Family	37
ARTICLE 20	38
Safety and Health	38
ARTICLE 21	41
Supervisors Working	41
ARTICLE 22	41
Company and/or Union Meetings or Business	41
ARTICLE 23	43
Severance Pay.....	43

2014 AGREEMENT ~ TABLE OF CONTENTS

Article	Page
ARTICLE 24.....	44
Termination and Amendments	44
ARTICLE 25	45
Equal Opportunity	45
EXHIBIT I	48
Standard Hourly Wage Rates	48
EXHIBIT II	49
Job Classifications	49
EXHIBIT III	51
Check-Off Authorization Card	51
EXHIBIT IV	53
Overtime Procedures.....	53
EXHIBIT V	56
Workforce Flexibility.....	56
EXHIBIT VI	59
Enabling Agreement	59
EXHIBIT VII	61
Qualification Training Days	61
EXHIBIT VIII	61
Trainer Notice.....	61
EXHIBIT IX	62
Qualification And Qualification Retention Guidelines	62
EXHIBIT X	64
ATTACHMENT 1	64
Qualification Retention System	64
EXHIBIT XI	64
LETTERS OF UNDERSTANDING	64
Letter of Understanding 1 – VIP.....	64
Letter of Understanding 2 – Fire Watch.....	64

2014 AGREEMENT ~ TABLE OF CONTENTS

Article	Page
Letter of Understanding 3 – Shipping Department	65
Letter of Understanding 4 – Maintenance Pager (Original Date 3/4/2002)	65
Letter of Understanding 5 – Off on a Holiday (Original Date – 9/6/01)	65
Letter of Understanding 6 – Staffing (Original Date 7/18/2002).....	67
Letter of Understanding 7 – Maintenance Department Overtime	70
Letter of Understanding 8 – Outside Contractors	71
Letter of Understanding 9 – Maintenance Subcontractors	71
Letter of Understanding 10 – Short Term Disability/Long Term Disability	71
Letter of Understanding 11 – Holiday Allowance	72
Letter of Understanding 12 – Work Coverage Posting	72
Letter of Understanding 13 – Return From Layoff.....	73
Letter of Understanding 14 – Non-Refundable Vacation	73
Letter of Understanding 15 – International Appointment.....	73
Letter of Understanding 16 – Early Retirement Incentive	74
Letter of Understanding 17 – Reimbursement Program	74
Letter of Understanding 18 – Maintenance Dept. Forced Overtime	74
Letter of Understanding 19 – Relief Operator.....	75

AGREEMENT

This agreement dated this first day of October 1, 2014 is between Eastman Chemical Resins, Inc., a wholly owned subsidiary of Eastman Chemical Company, hereinafter referred to as the "Company" and the United Steelworkers, AFL-CIO-CLC on behalf of its local Union Number 5852-11 collectively hereinafter referred to as the "Union".

ARTICLE 1**Intent and Purpose****Section 1**

It is the intent and purpose of this document to set forth the rates of pay, hours of work, and other conditions of employment to be observed so as to permit orderly and peaceful relations between the Company, the Union, and the employees to achieve uninterrupted operations and the highest level of employee performance consistent with safety, good health, and sustained effort. It is agreed neither the Company nor its representatives nor the Union will take, authorize, nor condone any action which interferes with the attainment of such objectives.

Section 2

The Company and the Union recognize the employees must maintain the highest degree of productivity and workmanship of good quality so the Company, as well as the employees, may benefit from the continued safe, harmonious and profitable operation of the Jefferson plant which have been agreed upon in this collective bargaining agreement.

ARTICLE 2**Recognition****Section 1**

The term "employee" as used in this document shall include all production, maintenance, and shipping employees of the Company at its Jefferson Borough Plant, excluding all salaried employees, summer help, part-time employees, and guards as defined in the National Labor Relations Act.

Section 2

The Company recognizes the Union is the sole and exclusive bargaining agent for all employees as herein before defined for the purpose of collective bargaining.

Section 3

There shall be no interference with the rights of employees to become or continue to be members of the Union. There shall be no discrimination, restraint, or coercion against any employee because of membership in the Union.

ARTICLE 3**Membership and Dues Check-Off****Section 1**

It shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing on the effective or execution date of this Agreement, whichever is the later, shall remain members in good standing and those who are not members on the effective or execution date of this Agreement, whichever is the later, shall on the thirtieth day following the effective or execution date of this Agreement, whichever is the later, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective or execution date whichever is the later, shall on the thirtieth day following the beginning of such employment become and remain members in good standing in the Union.

Section 2

The Company agrees to deduct from the wages of each employee, in accordance with the expressed term of a signed voluntary authorization as per attached form listed as Exhibit III, the membership dues of the Union which includes monthly dues, initiation fees and uniform assessments, in the amounts designated by the International Treasurer of the Union.

Section 3

Said deductions shall be made each month bi-weekly payroll and remitted to the International Treasurer at the address which he authorized for this purpose.

Section 4

A list of employees from whom deductions were made will be furnished to the Local Union Financial Secretary, and the National Office.

Section 5

The Union shall indemnify and save the Company harmless against any forms of liability, such as liability for non-conformity to federal law, which shall arise out of or by reason of

action taken or not taken by the Company for the purpose of complying with the provisions of this Article.

ARTICLE 4

Management Functions

Section 1

The Company retains the sole and exclusive right to manage the business and all operations and to direct the working forces.

Section 2

The right to manage the business and all operations and to direct the working forces shall include, but not be limited to, the right to hire, promote, layoff, assign, subcontract, schedule, suspend or discharge for just causes listed in but not necessarily limited to reasonable published Plant Rules and Regulations with immediate notification to a Union representative, determine the size and the composition of the working force, to establish new additional departments or eliminate existing departments, to establish job descriptions and to classify new or changed jobs, to establish reasonable plant rules and regulations, as well as the right to transfer, modify, add to or discontinue use of equipment and facilities, or any other operations, and the manufacture of new products, as economic conditions warrant, provided that any action by the Company under this provision shall not be in violation of any provision of this Agreement.

Section 3

The Company will follow a general policy of notification and consultation in cases in which the use of outside contractors will probably adversely affect the employment of bargaining unit employees. In making the decision to employ outside contractors in lieu of bargaining unit employees, consideration will be given to allowing bargaining unit employees to perform such work, provided they are readily available, have the tools, equipment and skills to perform the needed work, the required materials are available at a reasonable cost, and further, provided it can reasonably be expected they (bargaining unit employees) can perform the work in an economically competitive manner within the required time limits established by the Company.

ARTICLE 5

Responsibilities of the Parties

Section 1

During the term of this Agreement, there shall be no strikes, work stoppages, slowdowns, or any other interference with or impeding of work or operations.

Section 2

No employee shall participate in any such activity as described in Section 1 above and the Union will not authorize, instigate, aid or condone any such activity. Upon notification by the Company that a violation of this Article exists or is threatened, the Union shall immediately take steps within its power to prevent or terminate any action or conduct in violation of this Article. The immediate step to be taken shall be that the Union will instruct its members to remain and work on their assigned jobs or to return to their normal work assignments at once.

Section 3

The Company shall not lock out any of its employees.

ARTICLE 6

Discharge and Discipline Cases

Section 1

- a. The Company retains the right to discharge, suspend, or otherwise discipline employees for just causes listed in, but not limited to reasonable published Plant Rules and Regulations with immediate notification to a Union representative.
- b. An employee who has completed his/her probationary period shall not be summarily discharged. In the event the Company may conclude an employee's conduct may justify suspension or discharge, he/she shall be suspended initially for not more than five (5) scheduled work days and given written notice of such action. A copy of such notice shall be furnished to the Union immediately.
- c. A hearing between the suspended employee, the Union (limited to a maximum of five representatives), and the Company will be held for the presentation of the facts and evidence related to the suspension and within the suspension period.
- d. After such hearing, the Company shall determine whether the suspension shall be affirmed, modified, extended, revoked or converted into a discharge.

e. In the event the employee is dissatisfied with the Company's determination, he/she shall have a right to file a written grievance within three (3) scheduled work days (excluding Saturdays, Sundays, and Holidays) after notice of the Company's action and said written grievance shall be considered at STEP THREE of the grievance procedure, and a special STEP THREE meeting shall be held within fifteen (15) calendar days of the date on which the grievance is submitted, excluding Saturdays, Sundays, and Holidays or any period [not exceeding two (2) weeks during any calendar year] during which time the plant may be closed for vacation. If the grievance is not satisfactorily adjusted at STEP THREE of the grievance procedure, the Union may appeal the grievance to arbitration under STEP FOUR of the grievance procedure as provided therein.

f. There will be no permanent posting of a discharged employee's bid job until the final settlement of any protesting grievance is reached.

Section 2

a. If a bargaining unit employee is charged by management or another employee of wrong conduct, all such persons will be available at a hearing with representatives of management and the Union (limited to a maximum of five representatives) for presentation of facts and/or evidence in the matter. The Company must produce appropriate witnesses unless otherwise agreed upon in advance by the parties.

ARTICLE 7**Wages, Hours of Work, and Overtime****Section 1**

The standard hourly wage rates for the respective job classifications covered by this agreement are set forth in Exhibit I.

Section 2

The workweek for all wage calculations begins with the start of the first shift worked after 12 midnight Sunday and continues for 168 hours.

Section 3

Overtime at the rate of one and one half of the employee's standard hourly wage rate (or the wage rate resulting from the application of one of the following pay differential percentages:

(+1%, +/-3%, +5%, +/-6%, +/-8%, +/-10%, +/-12%, +/-15%, +/-17%, +/-20%, +/-25%) will be paid for actual hours worked (time paid for as an allowance will not be considered as time worked in calculating overtime hours) in excess of 40 hours in a work week.

- a. For all hours in excess of 40 in a work week, overtime will be paid at a rate of time and a half.
- b. If an employee's work schedule is changed by the Company as a result of "call-in" with less than 48 hours of notice of the change between the scheduled end of the last scheduled shift worked and the start of the first shift on the changed schedule, the employee will be paid for the hours worked on the new schedule at straight time, the actual hours worked will count toward the calculation of weekly overtime, and the employee will receive a pay allowance equal to four hours pay at his/her standard rate or the rate of the job being performed.
- c. If an employee is normally scheduled to be off on a Holiday the hours scheduled to be off/missed will be counted as hours worked for the purpose of calculating weekly overtime. (Reference Letter of Understanding #5 for clarification).
- d. If an employee is called back to work for a full shift and there is less than 16 hours between the scheduled end of his/her prior shift and the beginning of the shift the employee was called in to work; the employee will be paid for the hours worked on the call in schedule at straight time, the hours worked will count toward the calculation of weekly overtime, and the employee will receive a pay allowance equal to one half of the hours worked on the call in. These provisions apply except in the instance it has been agreed to by two employees with the Company's approval for an exchange shift or when the Company approves an individual's request for a change of shift. If the call back is for less than a shift, it will be treated as an Emergency Call-in. The 12-12-12 and the 8-12-12-8 work schedules are not subject to quick come back overtime. Quick-comeback will be paid when there is 8 hours or less between shifts, except vacation coverage, and those schedules listed above.
- e. If an individual employee's work schedule is changed from his/her normal or regular work schedule such that he/she is scheduled off on a Holiday on which he/she would have otherwise worked, and then scheduled to work another previously unscheduled day, then those Holiday hours not worked shall count as hours worked in the

accumulation of hours for overtime pay purposes. Plant shutdowns are interpreted as schedule changes in this case.

f. Any scheduled vacation taken in increments of 40 hours (5 days) or less in a work week will be counted as hours worked for purposes of calculating overtime for that work week.

Section 4

Any hours which are paid for at overtime rates under any section, article or provision of this Agreement shall not be counted as hours worked for the purpose of any other section, article, or provision of this Agreement calling for overtime or premium pay except those hours worked on a contract listed Holiday and those hours not worked (scheduled to be missed) on a Holiday as described above.

Section 5

a. Employees shall work such reasonable overtime as may be required by the Company. The Company shall give as much notice of the overtime assignment as may be practicable under the circumstances.

b. If an employee is asked to stay over in an emergency, not including work completion or delayed relief situations, the actual hours worked will be included in the calculation of weekly overtime.

Section 6

Overtime will be distributed among employees within each department as equitably as possible, according to procedures within the Department taking into consideration the skills and qualifications of employees, their work schedules, and the Company production schedules. Any employee who is required to work overtime and fails to work will be considered as having worked overtime for distribution of overtime purposes only. Records showing overtime distribution will be posted annually and weekly beginning anew each January 1st.

Section 7

a. It is expected that from time to time employees may be assigned or contractually required to work on a higher or lower classified job. In the instances when an employee is assigned to a job or contractually required to work on a job with a rate classification either higher or lower than his/her standard rate, the employee will receive a pay

differential percentage for the actual hours worked on either the higher or lower classified job equal to either (+1%, +/-3%, +5%, +/-6%, +/-8%, +/-10%, +/-12%, +/-15%, +/-17%, +/-20%, +/-25%,) of his/her standard rate. The percentage pay differential will be that percentage which most closely approximates the difference in his/her standard rate and the rate for the higher or lower classified job. In the event the employee is eligible for an additional \$.50 per hour as the result of holding an additional qualification (s), the percentage pay differential will include the full \$.50 per hour for each additional qualification. (NOTE: Please see Letter of Understanding 6 for further explanation of pay for employees temporarily assigned)

b. If an employee is temporarily transferred by the Company or assigned by the Company to perform the duties of a job having a lower rate classification, he/she shall be paid at his/her standard hourly wage rate for all purposes. This shall not apply when a reduction of the workforce occurs.

Section 8

a. Any employee who reports for a scheduled shift of work but is unable to complete 4 hours work due to lack of work will be granted a pay allowance for the difference between 4 hours and the time actually worked. Only the hours actually worked will count toward the calculation of weekly overtime. This allowance will be paid at the employee's standard hourly wage rate, except where failure to provide work is for reasons beyond the control of the Company or where an employee who has been absent from work has failed to previously notify the person designated by the Company of his/her intention to return to work.

b. If an employee starts his/her scheduled shift and is sent home before completing the scheduled 8 hour shift he/she would receive pay for the hours actually worked or a minimum of four hours, whichever is greater. Only the hours actually worked will count toward the calculation of weekly overtime. This allowance will be paid except where failure to provide work is for reasons beyond the control of the Company.

c. When an employee requests to leave before completing his/her scheduled work period, and is granted permission by his/her supervisor, he/she shall be paid only for the time actually worked. Actual hours worked will be included in the calculation of weekly overtime.

d. Any hours of reporting pay given to an employee for time not actually worked shall not be counted for purposes of computing overtime and shall not be paid for at overtime rates.

Section 9

a. Employees who are called in or scheduled before the start of their regular shift and work until the beginning of that shift are not eligible for a pay allowance unless they are eligible for the quick come back/call-in allowance. They will be paid for actual hours worked at their standard wage rate plus any applicable percentage difference between their standard wage rate and the rate of the job being worked, and shall be entitled to work on his/her regular turn.

b. Emergency work is work which cannot be anticipated or deferred, cannot be handled by personnel already at work, and which necessitates calling in an employee at a time other than the employee's normal work schedule. It is expected that the employee called in will report to the workplace as soon as possible following notification.

1. Reporting for EMERGENCY WORK - Except as otherwise limited in this paragraph, employees who report for emergency work and who work less than 4 hours will be given a pay allowance for the difference between 4 hours and the hours actually worked. Employees who report for emergency work less than 4 hours prior to the start of their regular shift, and who do not work continuously to the start of the shift, will be eligible for a pay allowance. The pay allowance will be based on the amount of time between the actual start of work and the start of the regular shift less the time actually worked.

2. An employee may be called in multiple times for EMERGENCY WORK on the same day. If these EMERGENCY WORK periods fall within a four hour time span, an allowance will only be paid for time not worked during the entire four hours.

c. Extra work is work scheduled in advance at a time other than the employee's normal work schedule. Extra work may also include time spent in activities such as medical re-examinations, meetings, training sessions, or lectures.

1. Except as otherwise limited in this paragraph, employees scheduled for extra work and who work less than 2 hours will be given a pay allowance for the difference between 2 hours and the hours actually worked. Employees scheduled for extra work less than 2 hours prior to the start of their regular shift, and who do not work

continuously to the start of the shift, will be eligible for a pay allowance. The pay allowance will be based on the amount of time between the actual start of work and the start of the regular shift, less the time actually worked. (Example: An employee scheduled for extra work who starts work 1 ½ hours before the beginning of the regularly scheduled shift and works for 1 hour is eligible for a pay allowance of ½ hour under this guideline.) This allowance will be paid at the employee's base rate of pay.

d. Time worked by personnel called in for emergency work or scheduled for extra work begins when the employee arrives at the designated reporting area (the normal work location, a job site, shop area, or mobile equipment parking facility) and normally ends when the employee leaves the designated area. Time worked should include activities following arrival at the designated reporting area such as necessary planning or instruction, picking up tools, transportation from a shop area to a job site, and, when required, clothes change and shower time. If the employee's supervision is not at the work area when work begins or ends, time worked should be documented by the employee and provided to the supervisor.

Section 10

a. Shift differential premiums will be paid to:

1. All shift employees.
2. Non-shift employees of any department when they are scheduled to work and do work on the 3-11 and 11-7 shifts. This provision includes work completion or call-in assignments during the 3-11 and 11-7 shifts.
3. For hours worked on the 3-11 shift by employees mentioned above, a shift differential premium of \$.70 per hour will be paid; for all hours worked on the 11-7 shift by employees mentioned above, a \$.85 per hour shift differential premium will be paid.

b. Shift differential premiums shall be used in calculating overtime compensation.

Section 11

Pay shall be bi-weekly with employees having a choice between direct deposit and having a check mailed to their home address.

Section 12

Work schedules may be changed by the Company at any time provided at least forty-eight (48) hours advance notice has been given to the affected employees. Days of work will be scheduled consecutively whenever practicable, taking into consideration the hours of operation and scheduling difficulties. Any work schedule changes with less than forty-eight (48) hours' notice shall be regarded as "call-in".

ARTICLE 8
Vacation Eligibility

Section 1

Employee eligibility for vacation in their first year of employment is defined by the following table:

Vacation in Initial Year of Employment - Regular Full-Time Employees:

<u>Month of Employment</u>	<u>Days</u>	<u>Hours</u>
January	10	80
February	9.125	73
March	8.25	66
April	7.375	59
May	6.5	52
June	5.625	45
July	4.75	38
August	3.875	31
September	3	24
October	2.25	18
November	1.5	12
December	0	6

Section 2

- a. Vacation for a year is earned during the year provided the employee is:
1. Actively at work,
 2. Absent from work due to Short-Term Disability (STD) or leave of absence (where required by applicable state or federal laws),
 3. Temporarily absent from work for vacation or excused absence and subsequently returns to work,
 4. or Retiring and will be on vacation until a retirement date subsequent to year-end.

b. Vacation eligibility after the first year of employment is defined by the following table.

Vacation Schedule After First Year of Service

<u>Years of service completed by December 31</u>	<u>Weeks of vacation during the following year</u>
3 or fewer	2
4 – 8	3
9 – 18	4
19 +	5

*Those employees with 34 or more years of service as of 12/31/2014 will continue to receive 6 weeks of vacation.

c. Vacation eligibility will be determined based on the recognition of prior Hercules service.

d. The vacation period shall run from January 1 to December 31. The Company will make an effort to accommodate employees who express a preference for a certain vacation period in order of their Plant seniority within their Department, but the final right to allot the vacation period shall be vested exclusively with the Company. The parties agree the Company shall have the right to shut down all or any part of the plant for a period or periods not to exceed two (2) weeks with respect to that part of the plant so closed for vacation; provided however, that the Company gives the employees at least thirty (30) days' notice of the shutdown of the plant or a part thereof, by posting such notice on the bulletin board.

e. Vacation will be scheduled in hourly increments.

f. Employees shall receive a vacation pay allowance based on his/her standard hourly wage rate in effect, or which becomes effective during his/her vacation.

g. Employees who are on Family and Medical Leave of Absence or Military Leave of Absence at the end of the year will receive vacation pay for the following year either (1) by taking vacation after return to work or (2) as pay in lieu of vacation if they do not return from leave of absence. Employees who are on Personal or Educational Leave of Absence at year end and do not return to work, do not receive vacation pay for the following year. Those individuals on Personal or Educational Leave of Absence at year

end who do return to work will be eligible immediately for vacation in the year of return, but on a pro rata basis.

h. An employee who is terminated from employment will receive any unpaid vacation pay which he/she has accrued.

i. Absence due to sickness or injury may be scheduled as vacation. However, the employee will not be paid both Short-Term Disability (STD) allowance and vacation allowance payments for the same time. If an employee schedules vacation to coincide with an absence due to a compensable injury or illness, he/she may receive both statutory Worker's Compensation payments and vacation allowance payments. However, he/she will not be eligible for company provided voluntary Worker's Compensation Supplement payments for those days scheduled as vacation.

j. Termination of Short-Term Disability (STD) or Worker's Compensation Supplement benefits can be extended by daily increments of vacation during any period of disability. The employee may also request vacation prior to the exhaustion of FMLA benefits.

k. If an employee becomes ill or is injured before or after a vacation period begins, any remaining vacation may be postponed and rescheduled at a later date with Company approval.

l. The Company provides up to 40 hours of Unpaid Vacation each year for regular full-time and regular part-time employees in addition to their normal vacation.

1. Regular full-time or regular part-time employees are eligible for up to 40 hours of Unpaid Vacation each year. Employees are not eligible for Unpaid Vacation during the calendar year in which they were hired.

2. Employees may take Unpaid Vacation in conjunction with paid vacation or before using regular paid vacation.

3. Unpaid Vacation is not deducted in regular increments from the employee's pay each pay period but instead is deducted from pay during the pay period in which the Unpaid Vacation is taken.

4. Unpaid Vacation cannot be carried over from one year to the next.

5. Unpaid Vacation is approved and administered just like regular paid vacation.

m. Vacation Carry Over will be reduced from 80 hours to 24 hours by the end of 2019.

Vacation Carryover will change as indicated below:

Year-end 2014 – 80 hours
Year-end 2015 – 80 hours
Year-end 2016 – 64 hours
Year-end 2017 – 40 hours
Year-end 2018 – 40 hours
Year-end 2019 – 24 hours

Beginning in 2019, employees must use carry over hours by the end of March of the following year.

Carry over vacation hours will be lost if an employee's total hours are above the limit as described above.

ARTICLE 9 Holidays

Section 1

These days shall be Holidays under the Agreement and observed as per the following:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- The day after Thanksgiving
- Christmas Eve
- Christmas Day

One other holiday will be designated as a Floating Holiday by the Company.

Each employee will also have one 8 hour Personal Day to take on a day of their choice, with proper notice and Management approval.

The Holiday Schedule for all employees will be one listing.

Section 2

Time worked on a holiday will be paid at time and a half and also count toward the calculation of weekly overtime.

Section 3

All active employees on the payroll will receive an 8-hour holiday allowance computed at the standard hourly wage rate. There are no requirements to work within the pay period containing the holiday or to work scheduled days before or after the holiday.

ARTICLE 10
Probationary Employees

Section 1

New employees and former employees hired without reinstatement will be regarded as probationary employees until they have worked one hundred twenty (120) days worked or 960 hours worked whichever is sooner.

Section 2

During the period of probationary employment probationary employees may be laid off, suspended, demoted, disciplined, or discharged, as exclusively determined by Management.

Section 3

There shall be no seniority among probationary employees.

ARTICLE 11
Seniority

Section 1

a. Plant seniority is the length of time from an employee's last date of hire at the Jefferson Plant according to the Company's employment records and policies related to the treatment of service as affected by leaves of absence. Any plant seniority lost during layoff will be reinstated upon recall.

b. For purposes of seniority the Departments shall be identified as follows:

1. Production Department
2. Maintenance Department

c. Employees elected or appointed to the offices of Unit President, Unit Secretary, and Unit Grievance Committee of the local Union, for the purposes of layoff only, shall head plant seniority lists during their term of office, and upon completion of their terms of

office the aforementioned officers shall be returned to their proper position on the seniority list.

d. The Company will furnish the Union an up-to-date list every 3 months indicating plant seniority for each employee in the bargaining unit.

e. When two or more employees have the same seniority date, ties will be broken by alphabetical order of the letters of their last name, then their first name, then their middle name at the time of employment according to the Company employment records.

f. The Union will be notified monthly of the hiring of all employees who may become eligible for membership in the Union.

Section 2

a. Plant seniority shall apply only to the Jefferson Plant and shall be terminated under the following conditions:

1. voluntary resignation or retirement.
2. discharge for just cause.
3. absence without leave, without a reasonable excuse, or failure to report off for three (3) consecutive working days.
4. failure to report for work within fourteen (14) calendar days of sending of a notice of recall. Such notification by the Company will be by telephone or certified mail. (All correspondence will be directed to the last known telephone number or address on file in the Company records.)
5. layoff for a period of twenty-four (24) consecutive months or the length of plant seniority, whichever is shorter.
6. absence from work due to an industrial injury or illness for a period of thirty-six (36) consecutive months or the length of plant seniority as defined, whichever is shorter.
7. absence from work due to a non-occupational injury or illness for a period of twenty-four (24) consecutive months or the length of plant seniority, whichever is shorter.

b. The definitions of when plant seniority is terminated neither guarantee or create an obligation to rehire employees who have been terminated from Company employment as a result of obtaining Long Term Disability benefits.

ARTICLE 12 (A)

Job Vacancies, Posting, Transfers and Temporary Job Moves

(Production and Maintenance Departments)

Section 1

a. For the purpose of filling job vacancies, the organization of the Jefferson Plant is arranged into Production and Maintenance departments. Departments will consist of one or more job classifications. Details of this organizational arrangement are outlined in Exhibit II. This organizational arrangement may change from time to time as jobs are added or eliminated. Such changes will be discussed with the Union.

b. When the Company determines a new department or job is to be added to the organizational arrangement, staffing of such department or job will be accomplished through plant-wide job posting and bidding procedures. However, the bidding restrictions will be waived when staffing a new department or job.

Section 2

a. In the event the Company determines to fill a vacancy, a notice of the job vacancy shall be posted for a period of seven (7) calendar days. All job vacancies will be posted except Entry Level, Rate Class 1 (The Rate Class 1 job classification of Janitor in the Maintenance Department will be posted) and Rate Class 10 jobs. During this time employees may apply in writing on bid sheets supplied by the Company for the job vacancies posted. Employees will not be permitted to remove their bid sheet from the bidding procedure once the notice of job vacancy posting has come down.

b. In the event that it is necessary to post more than one (1) job vacancy simultaneously (Multiple Job Posting), employees will use one (1) sheet to bid on the job or jobs of their interest. If an employee bids on more than one (1) job and has the seniority to be awarded more than one (1) job, his/her award will be determined by the job preference number indicated on the job bid sheet, i.e., the job with the lowest preference number will be awarded to the employee.

c. All job bid sheets responding to a job posting will normally be submitted and signed by the individual job bidder. In an employee's absence, for whatever reason (layoffs, leave of absence, illness), a bid sheet may only be submitted by a Union Officer or committeeman and it will be binding on the employee.

d. Notification to the successful bidder of the posted vacancy shall be made within twenty-one (21) calendar days from the date of posting.

e. When the filling of a vacancy described above will initiate a series of secondary vacancies, the entire series will be included in a single posting with space provided for each signatory to indicate the vacancies for which the employee wishes to be considered, in order of job preference.

Section 3

The Company and the Union, by mutual agreement, may designate from time to time, certain job vacancies which are not subject to bidding in order to comply with ADA, Federal and State statutes.

Section 4

In the event the rate for an established job(s) is changed, that job(s) will be posted in accordance with these provisions.

Section 5

If an employee transfers to a job outside the bargaining unit, and if he/she is disqualified or his/her job is discontinued by the Company within six (6) months from the time of transfer, the employee can return to the bargaining unit with the seniority which he/she held prior to his/her leaving. He/she will be assigned to a job opening in the same or lower classification held prior to leaving. If the employee has not returned within six (6) months, all his/her seniority rights in the bargaining unit are forfeited.

Section 6**Temporary Job Move**

a. Vacancies determined to be on a day-to-day basis may be filled through assignments made by the Company. Such vacancies will be filled by assignment of those available and having the qualifications necessary to perform the job.

b. Vacancies determined to be other than on a day-to-day basis will be offered to qualified employees in the following order of preference:

1. the senior qualified employee.
2. the senior qualified employee working in any rate class, if available.

Employees will receive their standard rate or the rate of the job that they are transferred to, whichever is greater. Said greater rate shall be paid for all purposes.

c. Employees may reject the temporary assignment except the least senior qualified and available employee in plant seniority. Employees rejecting the temporary assignment will

do so for the duration of the vacancy. An employee accepting the temporary assignment will be required to perform the job for the duration of the vacancy.

d. An employee affected by a Short Work Week while filling a vacancy through a Temporary Job Move will be offered a work opportunity at the applicable rate of pay for the additional straight time hours, if any, that he/she would have been eligible to work on his/her regular job.

e. When the scheduled vacation of a regular (or temporary job move) holder of a Rate Class 3, 4, 5, 6, 7, or 9 job in the Production Department must be worked, overtime coverage of it will be offered to the other regular holders of the above rate classes for that job through the established overtime distribution system before coverage by a Temporary Job Move is considered.

f. If vacation is granted by the Company under the provisions of vacation eligibility article, job coverage as necessary will be determined by the Company notwithstanding this article.

g. An employee on a temporary job assignment will receive a pay differential for all hours worked on the temporary transfer and his/her regular job for the duration of the temporary transfer. The pay differential will be equal to either 4%, 8%, 15% or 25% of his/her standard rate. The percentage pay differential will be that percentage which most closely approximates the difference in his/her standard rate and the rate for the higher classified job.

ARTICLE 12 (B)

General Provisions Job Bidding and Awards

(Production and Maintenance Departments)

Section 1

a. The terms "qualified" and "qualification" shall mean the ability to perform the work, experience, education, and attendance.

b. In the event, in the opinion of the Company, none of the bidders for a vacancy has the necessary qualifications for the job, the Company shall be free to fill the job, by transferring an employee from within the bargaining unit or hiring a new employee.

- c. A successful bidder(s) or Area Operator who is subsequently disqualified will be assigned to the lowest job opening created when the original bid job and all secondary openings are ultimately filled with a successful bidder. The lowest job opening created may occur in the disqualified bidder's original department or in another department. Such disqualified bidder will assume the standard hourly wage rate of the job to which he/she or she is assigned.
- d. A disqualified employee will not be permitted to re-bid on the primary opening created due to the disqualification for a period of twelve (12) calendar months.
- e. An employee who bids to fill a vacancy and is awarded the job will not be permitted to rescind his/her acceptance of the new assignment.
- f. An employee who successfully bids downward or laterally from the Production Department to the Maintenance Department or from the Maintenance Department to the Production Department will not be permitted to bid laterally or downward for any job classification for a period of two (2) years after working in the new job. This will not apply when an employee is forced to bid as a result of a permanent unit shutdown.
- g. In order to ensure that new hires receive the proper orientation and indoctrination to the Jefferson plant, new hires will be required to obtain approval from the Training Supervisor in order to bid on a job, Rate Class 1-6. New hires are employees with less than 120 days worked or 960 hours worked (whichever is sooner). New hires are restricted from bidding on RC 7 jobs for 1 year after their date of hire.
- h. Employees in the suspension [greater than one (1) day] or absentee conditions of probation phase of discipline will not be permitted to bid on jobs until the discipline is cleared from their personnel record.

ARTICLE 12 (C)
Production Department Bidding Procedures

The provisions noted in this article (a) and (b) shall apply to the bidding and awarding of jobs in the Production Department as well as the Maintenance Department. However, the following provisions, unique and applicable to the Production Department only, are noted as follows:

Section 1**New Work System – Area Job Combinations**

All new bids for the four (4) Area Combination jobs will include the Area Operator concept requirements. Once an employee is qualified, their job previously classified as:

- Water White Finishing Operator
- Packaging Operator
- Emulsion Operator
- Emulsion Helper
- Water White Poly Operator
- Water White/MP Poly Helper
- C5 Operator
- C5 Assistant Operator

will be defined by the table below:

New Title	LTC Area Operator	WW Poly Area Operator	Emulsion Area Operator	C5 Area Operator
<i>Old Title</i>	<i>WW Fin. Op.</i>	<i>WW Poly Op.</i>	<i>Emulsion Op.</i>	<i>C5 Op.</i>
<i>Old Title</i>	<i>Packaging Op.</i>	<i>WW/MP Helper</i>	<i>Emulsion Helper</i>	<i>C5 Asst. Op.</i>

Fully qualified Area Operators will be paid Rate Class 9 while performing any Area Operator duty.

Employees with at least 25 years of service as of the date of this Agreement currently holding a bid to one of the affected positions will be grandfathered and not be forced to qualify on and work the other job(s) but will be allowed the opportunity to do so if interested.

Employees in the four (4) area jobs will work each alternate function of their area job a minimum of one week per quarter in order to maintain their knowledge.

Transition to Area Operators will be by turns with a minimum of one turn completed in the first year of the current contract and at least one turn each remaining year of the contract until all turns have been qualified.

Training will begin with Operators, Assistant Operators, and Helpers being asked to train within their groups by seniority order. If no one volunteers, training will begin with the least senior employees.

If an operator does not qualify on each function of the Area job, the LMPSC will be asked to help determine how best to deliver 2 additional weeks of remedial training to assure an operator's ability to qualify. The intention is to train to qualification. If there is no qualification after 2 training/testing attempts, Article 12(B), Section 1(c) will be followed.

All Production New Hires will enter into Area 1 (unassigned):

<u>Number of Qualifications</u>	<u>Pay Rate</u>
1	\$24.14
2	\$25.28
3	\$26.41
4	\$27.55

Six (6) qualifications for this area are: Upper Plant PUO, Lower Plant PUO, C5 PUO, C5 Roto Helper, LTC Packaging Helper, and WW/MP Poly Helper

Pay for Additional Qualifications - Employees will be paid an additional \$.50 per hour for each additional qualification outside their bid job.

Relief Operators rate will be compensated \$.50 per hour for each qualification above five.

Temporary Job Move language (Article 12(A), Section 6) gives Company the ability to assign employees to any job on which they are qualified.

Rotation can't deny vacation coverage or create overtime on any other position other than where it should be as per current understanding.

Additional Qualifications can be used for bumping except where the qualification was obtained as a result of training provided by the company.

Section 2

- a. The Qualification and Qualification and Retention Guidelines will continue to apply for training, job qualifications, multiple skills, and pay for skills.
- b. The Company retains the right to train any employee as it deems necessary, (upwards, laterally, downward). The principle of offering training to the most senior employees will be applied where it is reasonable to do so.

c. Employees will be compensated for additional job qualifications. Pay for each additional job qualification will be \$.50 per hour. Note: This applies only to qualifications for active job classifications.

d. Employees holding additional qualification(s) will be permitted to use those qualification(s) to bump in accordance with their plant seniority if they are able to perform the job without additional training as evidenced by holding a current, official qualification.

e. The provisions of Exhibit IX will apply to obtaining and retaining additional qualifications.

Section 3

a. Posted job vacancies in the Production Department will be awarded in the following order:

1. The senior bidder from the Production Department.
2. The senior bidder plant-wide.
3. All subsequent vacancies created by the original job posting, will be filled in accordance with the provisions of Section 3(a), above.

Section 4

a. An employee awarded an upward, lateral, or downward job classification will be provided the number of "targeted" training days as shown by Exhibit VII to demonstrate he/she can satisfactorily perform the job. A possible mutually agreed upon "extension" is also shown by Exhibit VII.

b. The question of satisfactory performance noted in the above paragraph will be decided by the Company.

Section 5

a. An employee who bids and is awarded a job will be provided the opportunity to bid again on a different job vacancy if that employee has not been afforded the opportunity to Train, Qualify or Work on the original job after a period of three (3) months from the date of the first award.

b. An employee who successfully bids laterally may not bid laterally or downward for a period of two (2) years beginning with the date of the job award.

- c. An employee who successfully bids downward may not bid downward or laterally for a period of two (2) years beginning with the date of the job award.
- d. Employees bidding and awarded a RC 7 job are permitted to bid downward. However, they are not permitted to bid laterally during the first 3 years on the job, beginning with the date of job award.
- e. Relief Operators will be required to stay on that job a minimum of 6 years from date of award. Please see Letter of Understanding 19.
- f. When the company determines to permanently shut down a production unit, any applicable bidding restrictions will be waived for those employees affected by the shutdown until such time they are awarded their next bid job.
- g. Employees bidding on operator jobs will be required, as part of their operator training, to acquire a fundamental understanding of the unit and the various jobs in that unit.
- h. Employees retain the right to bid upward without any time restriction.

ARTICLE 12 (D)
Maintenance Department Bidding Procedures

Section 1

The provisions noted in the section General Provisions Job Bidding and Awards shall apply to the bidding and awarding of jobs in the Production Department as well as the Maintenance Department. However, the following provisions, unique and applicable to the Maintenance Department only, are noted as follows:

Section 2

Selection for the apprentice program will be based on aptitude testing. The Maintenance Apprenticeship Steering Team will develop an apprentice aptitude assessment instrument. If it is necessary to change or develop another aptitude assessment instrument, the Apprenticeship Steering team will meet and discuss the need for these changes.

Employee applicants will be required to achieve a minimum passing score on the assessment instrument to be considered for the apprenticeship program. The most

senior applicant(s) who meets the minimum passing score on the assessment instrument will be selected into the apprenticeship program.

Should no plant applicants meet the testing standard for the apprentice program selection process, the company reserves the right to use an outside Vocational Technical School to fill the apprentice role.

Section 3

If two or more applicants have substantially equal qualifications, the employee with the greatest plant seniority and holding a bid, Entry Level, or Rate Class 1 job classification shall be awarded the job.

Section 4

If the vacancy is not filled by the provisions of the preceding paragraph, it will be awarded to the bidder who has the greatest plant seniority and possesses the qualifications to perform the job.

Section 5

Vacancies in the following maintenance positions (Janitor, Environmental Specialist, Safety Specialist) will be awarded to the bidder having the greatest maintenance seniority.

Section 6**Safety Specialist**

- Candidates for Safety Specialist will be required to successfully complete a selection process including testing and interviews. The development of this process will be accomplished by a team of Jefferson Management and Union Representatives. The most senior candidate successfully completing the selection process will be awarded the job. The senior successful candidate will enter the job at a Rate Class 4.
- Credit for previous qualifications in the HSES field will be considered in the rate progression.
- Rate progression will be as follows: (This is a partial list of each Rate Class and is not all inclusive.)
- RC 4 – Initial Entry (1 to 2 Years) of Basic Training, HSES Safety Meetings, work without supervision.
- RC 5 – Hot Work Permits, Confined Space, Contractor Safety, Asbestos Cert. (2 – 3 Years.)

- RC 6 – Fire Extinguisher Cert., Water Loops and Shut offs, Fire Drills, Deliver CPR/First Aid and AED Training, Fill in for other Site Safety Personnel (3-4 Years.)
- RC 7 – All required Certifications Complete, Perform Live Sprinkler Tests, Inspections, PHAs, RCAs, BBS, participate as a lead member of ERT, Fire Team and CSR (5 Years or More.)

Section 7

When a Shift Utility Mechanic (SUM) bids to a maintenance shop craft, they will enter the maintenance craft at the Craft Rate Class, (RC 8 or 9, Specialist Mechanic of that craft). The person who successfully bids from the SUM position to a craft will maintain their SUM qualification and be entitled to \$.50/hr. for retaining that qualification. Retention will be the same as in production where the retention can be done by hours worked.

ARTICLE 13 (A)
Job Displacement (Layoffs and Recalls)

Section 1

The following procedure will be used when it is necessary to decrease the plant work force resulting in layoff(s).

- a. Within the affected department(s) the senior employee displaced must bump, as his/her plant seniority will permit, the junior employee working at the equivalent rate of pay whose job he/she is able to perform without additional training as evidenced by holding a current, official qualification.
- b. If the senior employee displaced is the least senior employee working at a given rate of pay, he/she must bump, as his/her plant seniority will permit, the junior person at the next highest pay level within the department whose job he/she is able to perform without additional training as evidenced by holding a current, official qualification. This procedure will be continued to assure the displaced employee maintains the highest rate possible within the affected department.
- c. The employee(s) junior in plant seniority, so displaced by the above bumping procedure shall be advised of his/her proposed separation from the department, providing the remaining employees are able to perform the work without additional training as evidenced by holding a current, official qualification. The employee(s) may then exercise his/her plant seniority, to bump downward or laterally into another

ARTICLE 13 (B)

Job Displacement (Decrease in Departmental Workforce)

department, if he/she is at that time able to perform the job without any additional training as evidenced by holding a current, official qualification.

d. An employee who exercises the bumping procedure defined in the preceding paragraphs above will assume the standard hourly wage rate for the job into which he/she bumps.

e. An employee who is unable to bump to another job for any reason will be subject to layoff.

Section 2

a. Company agrees to only lay off the first week of the month.

b. Employees to be laid off shall be given five (5) calendar days' notice of such layoff.

c. The Union shall be informed of all layoffs and recalls. On a monthly basis, the Company will provide the Union with its best assessment, based on information at the time, whether layoffs are considered to be "temporary" or "permanent".

Section 3

a. All recalls from layoff status will be conducted in accordance with plant seniority [with the most senior qualified employee being recalled first] provided those who are to be recalled are able to perform the job without additional training as evidenced by holding a current, official qualification before any new employee is hired.

b. In the event of recall, the Company will first attempt to make notification by telephone. Should telephone notification be unsuccessful, a certified letter will be sent to the last known address on file in the Company records.

c. Failure to report for work within fourteen (14) calendar days of sending of such notice will result in the forfeiture of all recall rights.

ARTICLE 13 (B)

Job Displacement (Decrease in Departmental Workforce)

Section 1

The following procedure will be used when it is necessary to decrease the work force within a department(s) that does not result in layoff(s).

- a. Within the affected department(s) the senior employee displaced must bump, as his/her plant seniority will permit, the junior employee working at the equivalent rate of pay whose job he/she is able to perform without additional training as evidenced by holding a current, official qualification.
- b. If the senior employee displaced is the least senior employee working at a given rate of pay, he/she must bump, as his/her plant seniority will permit, the junior person at the next highest pay level within the department whose job he/she is able to perform without additional training as evidenced by holding a current, official qualification. This procedure will be continued to assure the displaced employee maintains the highest rate possible within the affected department.
- c. The employee(s) junior in plant seniority, so displaced by the above bumping procedure, shall be advised of his/her proposed separation from the department, providing the remaining employees are able to perform the work without additional training as evidenced by holding a current, official qualification. The employee(s) may then exercise his/her plant seniority to bump downward or laterally into another department, if he/she is at that time able to perform the job without any additional training as evidenced by holding a current, official qualification.
- d. An employee who exercises the bumping procedure defined in the preceding paragraphs above will assume the standard hourly wage rate for the job into which he/she bumps.
- e. An employee who is unable to bump to another job for any reason will be subject to job assignment.

Section 2

An employee(s) displaced from a job within a department and not laid off must return to that job, in order of seniority, when the job reopens unless he/she has successfully bid on another job, in which case he/she forfeits the right to return to any job(s) from which he/she has been displaced.

ARTICLE 13 (C)

Job Displacement (Plant/Area/Unit Vacation Shutdowns)

Section 1

a. A shutdown for a period of three (3) days or less, or a vacation shutdown not exceeding two (2) calendar weeks, will not be considered a decrease in workforce and shall not involve the exercise of seniority.

b. A bid job holder of a Rate Class 3 or higher job classification will be scheduled to work his/her job classification during a vacation shutdown if his/her unit operates during the shutdown.

c. A bid job holder of a Rate Class 3 or higher job classification, who is displaced from his/her bid job, will take vacation with his/her bid job during a vacation shutdown period.

Section 2

The following procedure will be used to staff shutdowns. Jobs will be staffed on an as-needed basis. The procedure will apply during a shutdown where operations occur or during a shutdown where there is no operation.

a. The senior bid job holders will be given the opportunity to work their bid jobs.

b. If an insufficient number of bid job holders are available, positions will be filled by the most senior and qualified employee available.

c. If an insufficient number of bid job holders or qualified employees are available, the junior bid holder(s) will be assigned to work.

d. Bid job holders not scheduled or assigned to work during a shutdown, including employees holding qualifications in other areas, will be required to take vacation.

e. The job classifications not confined to a specific shutdown (e.g. Shift Chemist and Truck Driver) will be required to take no less than one (1) week vacation during the scheduled shutdowns for a calendar year.

ARTICLE 13 (D)
Job Displacement (Short Work Week)

Section 1

The following rules will govern the assignment of employees removed from jobs on a particular operating unit as a result of a Short Work Week.

- a. A scheduled unit shutdown of three (3) scheduled working days or less will be considered a Short Work Week and shall not involve the exercise of bumping.
- b. Should a unit shut down for a period of three (3) scheduled working days or less, employees working at said unit will be reassigned, on the basis of plant seniority, to the Production Department Rate Class 1 or Rate Class 2 job classifications which they are qualified to perform on their particular shift (7:00-3:00, 3:00-11:00, 11:00-7:00). Movement of individuals between shifts solely to satisfy a work opportunity(s) is not required nor permitted. The duration of this assignment shall be limited to a period of time during which a specific unit is shutdown as specified in item (1) and is intended only to allow an affected employee(s) to receive up to forty (40) hours of pay (if possible) during a Short Work Week.
- c. Employees reassigned per the above specified procedure will be paid at the applicable Rate Class of the job classification to which they are assigned.
- d. Holidays occurring in a Short Work Week will be paid in accordance with these Terms and Conditions.
- e. Should three (3) hours or more of work become available during the Short Work Week, the person(s) scheduled for less than forty (40) hours will be called for work, based on seniority and qualifications. It is understood this will not constitute a schedule change requiring 48 hours of advance notice or provision of any overtime or pay allowance in excess of calculated weekly overtime for actual hours worked.
- f. Any errors regarding the schedule of an employee(s) on a short work week must be brought to the attention of the Company whereby timely corrections can be made. It is agreed such errors not brought forth in such a manner will be considered null and void.
- g. For the first person needed in a craft, Maintenance will be asked according to seniority in the craft. For the second person needed in a craft, Maintenance will be asked according to seniority in both the craft and daylight utility mechanic group. It is

understood this will not constitute a schedule change requiring 48 hours of advance notice or provision of any overtime or pay allowance in excess of calculated weekly overtime for actual hours worked. If adequate staffing is not obtained by asking through the list, the first person asked will be forced to work.

ARTICLE 14

Adjustment of Grievances

Section 1

Any differences or dispute between the Company and the Union or the employees covered by this Agreement as to the interpretation, application, or claimed violation of any of the expressed provisions of this Agreement shall constitute a grievance. Any such grievance shall be settled in accordance with the provisions of this Article in an orderly manner and in compliance with the provisions of Article V "Responsibilities of Parties".

Section 2

- a. The time limitations specified in these paragraphs shall mean the number of calendar days, excluding Saturdays, Sundays and Holidays or any period [not exceeding two (2) weeks during any calendar year] during which time the plant may be closed for vacation.
- b. An extension of the time limits may be made by mutual consent between the Company and the Union.
- c. Grievances shall be settled in the following manner:

STEP ONE:

Any employee who believes he/she has a just grievance shall discuss the grievance with his/her immediate supervisor and his/her grievance committeeman together in an attempt to settle the matter. Such grievance, in order to be processed, must be discussed with the supervisor within five (5) days following the occurrence of the event upon which the grievance is based. The supervisor shall give a verbal answer to said grievance within two (2) days of the discussion.

STEP TWO:

If the employee is not satisfied with the supervisor's answer and chooses to process his/her grievance further, he/she shall set forth his/her complaint in writing upon a form agreed to by the Company and the Union, and he/she shall date and sign this form. The written grievance shall contain the following:

- a. Statement of the grievance setting forth in detail the facts on which the grievance is based.
- b. The section or sections of the Agreement alleged to have been violated.
- c. The correction sought.
- d. Date and attendees of STEP ONE discussion. Such written grievance must be delivered to any local Union Officer within five (5) days following the verbal answer given in STEP ONE.

The Union shall deliver the written grievance to the appropriate Department Head or his/her designated representative as soon as possible but not later than five (5) days after receipt of same. The appropriate Department Head as determined by the Site Manager or the Human Resources Department shall give a written answer to the grievance on the same grievance form and deliver it to a Union Officer within five (5) days after his/her receipt of same.

STEP THREE:

If the grievance is not settled in STEP TWO, the Union may appeal the Company's decision by setting forth in writing on the same grievance form the basis for the appeal and by delivering the written grievance form to the appropriate Department Head or his/her designated representative within seven (7) days after the date of the STEP TWO answer.

The Company, the Union, (limited to a maximum of five representatives) an International Staff Representative, and the grievant (limited to one grievant per grievance), if requested by the Union, will meet at a mutually agreed upon time and place within ten (10) days of the appeal to discuss the dispute thoroughly and consider all of the evidence with the objective of settling the matter in accordance with the provisions set forth in this Agreement.

The Company, through the local Site Manager, will give its final answer to the grievance in writing on the form presented within seven (7) days after the aforementioned meeting.

STEP FOUR:

If the grievance is not settled in STEP THREE, it shall be submitted to arbitration in accordance with the procedure and conditions provided in the arbitration clause herein

set forth. A written notice of such appeal shall be given the Company by the Union within fourteen (14) calendar days after the receipt of the written answer in STEP THREE.

The Union shall within fifteen (15) calendar days after receipt of the written notice of the appeal for arbitration send for a panel of arbitrators through the Federal Mediation & Conciliation Service (FMCS). The arbitrator selected for the proceeding will conduct the arbitration hearing in accordance with the rules in force of the FMCS. The decision of the arbitrator will be binding upon the parties.

If the arbitration hearing has not been scheduled within 120 days from the date of the request of arbitration unless delay beyond that time is due to the Company or the selected Arbitrator, the matter shall be considered withdrawn and closed.

The decision of the arbitrator shall not add to or subtract from or modify any of the terms of the Agreement or establish or change any rate of pay.

The Company and the Union shall share equally the fee and expense of the third arbitrator, and all other related expenses of arbitration. Each party shall bear its own other costs of the arbitration.

If during the life of this Agreement, the Company establishes a new job or makes a significant change in the work content of an existing job, the Union shall have the right to enter and process a grievance to arbitration, if necessary, to determine only whether the rate of such new or changed job bears a fair relationship to the existing rates for other representative jobs in the plant.

A grievance not appealed by the Union to the next step of the grievance procedure within the time limit specified shall be considered closed and settled on the basis of the Company's last answer. If the Company does not answer the grievance within the time limit specified, the grievance shall be considered automatically appealed to the next step of the grievance procedure.

Any adjustment to the employees as a result of the settlement or arbitration of a grievance shall be retroactive to the date when the grievance occurred.

ARTICLE 15

Leave of Absence

Section 1

- a. In all cases of request for leave of absence, the Company will advise the Union of such request, and will give consideration to any information or recommendation provided by the Union. However, the final decision as to granting or extending of leave of absence will be made by the Company.
- b. If the Company is not notified in writing addressed to the Human Resources Department of the employee's intention to return to work seven (7) days before the termination of his/her leave of absence, or any approved extension of such leave of absence, he/she shall be deemed to have terminated his/her employment.
- c. Employees placed on a Leave of Absence for the specific reason(s) described in this section only, will continue to accumulate plant seniority.

Section 2

- a. A regular full-time or regular part-time employee going on active duty in a branch of the U.S. military service for a continuous period of more than four (4) weeks but not more than twenty-six (26) weeks will be granted a Leave of Absence-Military Duty. Both enlisted personnel and officers who receive official military orders are eligible for military leave whether or not they have volunteered to serve. The specific provisions of a Military Leave of Absence are defined by Eastman Employee Relations Guideline PS-250-11.
- b. The Company shall accord to each employee who applies for reemployment after conclusion of his/her military service with the United States such reemployment rights as he/she may be entitled to under the then existing statutes.
- c. A pay allowance will be made when the employee is ordered to temporary military duty (i.e. annual training obligation or emergency duty) and when no other allowance is applicable to the same scheduled time lost. The employee will continue to receive pay based on his/her established work schedule. This pay allowance will not be offset by any military pay allowances received.
- d. Consideration will be given to use of Relief Operators to cover for military leave.

Section 3

When justified by unusual circumstances, regular full-time and regular part-time employees may be granted an unpaid personal leave of absence of up to 26 weeks. An employee is not assured a return to regular employment upon completion of the leave of absence, although reasonable efforts will be made to place the employee in an assignment which is in keeping with business needs and is related to the employee's training, experience, and skills. Organizational unit managers, normally department heads, may authorize leaves of absence within their respective organizations.

Section 4

Eastman's Family and Medical Leave Policy provides eligible employees working at U.S. locations, with up to 17 weeks (per calendar year) of employment-protected, benefit-continued, unpaid leave for: 1) birth; 2) placement for adoption or foster care; 3) time off needed to care for a family member (child, spouse, or parent) with a "serious health condition;" or 4) employee's own "serious health condition" if it qualifies.

ARTICLE 16
Company Benefit Plans

Section 1

It is the intention of the Company to continue all benefits for the welfare of all eligible employees. The Company has now in effect the following employee benefit plans:

- Eastman Retirement Assistance Plan
- Eastman Investment Plan
- Retirement Savings Contribution
- Short Term Disability
- Long Term Disability
- Health Care
- Dental Plan
- Health Care and Dependent Care Reimbursement Accounts
- Employee Life Insurance
- Dependent Life Insurance
- Accidental Death Insurance
- Occupational Accidental Life Insurance
- Long Term Care
- Workers' Comp Supplement
- Stock Purchase Plan

- Employee Assistance Program
- Adoption Assistance Program
- Eastman Credit Union Membership
- Service Awards
- Government Savings Bonds
- ETR (Employee Team Recognition) Award Eligibility

Information related to and describing these plans has been provided to the Union employees and officials.

Section 2

Certain of these plans:

- Health Care
- Dental Care
- Health Care Reimbursement Account
- Dependent Care Reimbursement Account
- Life Insurance
- Dependent Care Insurance
- Accidental Death Insurance
- Long-Term Disability
- Long-Term Care

are included in Eastman's Flexible Benefits Plan, ADVANTAGE. As a part of this plan employees have an annual opportunity to select options and coverage that best matches their current needs. Eastman may change benefits, costs or employee contributions to Advantage benefit plans and these changes are not part of an ongoing negotiations process as long as the plans, options and costs offered to represented employees are the same as those offered to non-represented employees. These plans will become a part of this Agreement by reference.

Section 3

The Company shall make the Benefits Summary Plan documents and related benefits information, which summarizes the benefits of the foregoing plans, available to all employees via the Eastman Intranet.

ARTICLE 17
Bulletin Board

The Company will provide specific bulletin board space in the Jefferson Plant for the purpose of posting official Union Notices.

ARTICLE 18
Jury Duty

Section 1

An employee who is called upon for jury duty by either the State or Federal Courts (or subject to the legal power of a subpoena) and who thereby loses time from work shall receive for each day of jury duty his/her standard hourly wage rate for scheduled hours of work for that day, not to exceed ten (10) working days in any calendar year. Each employee, in order to be eligible for such payment, must furnish to the Company a certificate of service duly signed by Clerk of Courts, (or the equivalent), provided the employee reports for work when not required to be in court as long as the beginning of such Company work is at least eight (8) hours subsequent to being relieved from jury duty.

Section 2

An employee who is called for jury duty or subpoenaed shall advise the Company of his/her requirement to serve as soon as possible after his/her receipt of notice of subpoena and shall be excused from work for the days on which he/she serves. Duty, as used herein, includes required reporting for jury or witness duty when summoned, whether or not he/she is used as such.

Section 3

When an employee's jury service or subpoena within one (1) calendar year extends beyond the ten (10) working days, due to serving on a locked-up jury, the benefit under this article will be extended to the end of this specific jury assignment.

ARTICLE 19
Death in the Family

Section 1

In the event of the death of a current spouse or child, an employee shall be allowed a maximum of five (5) scheduled working days off with the day of death and the day following the funeral inclusive provided such time off is requested and necessary.

Section 2

In the event of the death of a parent or parent-in-law, brother or sister, grandchild or grandparent, step-parent, legal guardian; an employee shall be allowed a maximum of three (3) scheduled working days off with the day of death and the day following the funeral inclusive provided such time off is requested and necessary.

Section 3

In the event of the death of a current brother-in-law or sister-in-law, or grandparent-in-law, or employee Aunt or Uncle, an employee shall be allowed one (1) scheduled working day off (the day of the funeral) provided such time off is requested and necessary.

Section 4

Because of regularly scheduled off days which may include Saturday and Sunday and/or previously scheduled vacation days, not all employees will be eligible for the maximum of either five (5), three (3), or one (1) scheduled working day(s) off.

Section 5

However, for any death in the family as described by this Article, an employee may request additional time off without pay. If in the Company's assessment, special circumstances warrant, the additional time off will be granted.

Section 6

The Company may require proof of death. The sole purpose of this requirement is to minimize economic loss and to provide the bereaved employee with necessary time off.

ARTICLE 20
Safety and Health

Section 1

a. A Safety Committee shall be organized for the safety and welfare of employees. When it is necessary for a member of the Safety Committee to attend a meeting of the committee during his/her scheduled working hours, the Company will pay the member for such time at his/her standard hourly wage rate.

b. If attendance is required during non-scheduled work hours or past the Member's regular shift time such member shall be paid for the time so spent.

Section 2

a. Either a nurse or a person trained in first-aid administration shall be available during the daylight hours, Monday through Friday. The company will provide set hours that the plant nurse will be available at the nurse's station.

b. The Company shall provide training for proper first aid coverage during off daylight hours, Holidays, weekends, etc.

Section 3

Eastman will provide physical examinations for those employees where it is required by federal or state regulations and/or Eastman's industrial hygiene practices. These exams will be scheduled at a time that is mutually convenient to the Company and the employee, the cost is paid by the Company, and the employee is paid for the time required to complete the physical.

Section 4

The Company may require an employee returning from an absence of thirty-six (36) scheduled work hours or more to submit to a physical examination by a doctor designated by the Company prior to returning to work. In addition, when, in the opinion of the Company, circumstances warrant a physical examination, an employee may be required to take such a physical examination from a doctor designated by the Company.

Section 5

The Company and the Union will cooperate in the areas of free public health services available by:

- a. Keeping each other advised as to outside scheduling of such services in convenient locations, and
- b. Publicizing such services and encouraging employees to make use of them.

Section 6

a. The Company shall determine and furnish all special safety equipment needed for any unusual jobs, as specified by the HSES Department.

b. When during the performance of his/her assigned job, and due to circumstances beyond his/her control, an employee suffers damage to or destruction of the clothes or glasses he/she is wearing, he/she shall so advise his/her supervisor. The supervisor shall inform the HSES Department of the occurrence, and the HSES Department shall decide if and to what extent the employee shall be reimbursed for such loss.

c. If an employee works in an area where safety shoes are required, he/she may purchase two pairs of safety shoes a year from a Company authorized source with the Company paying the full price. The purchase has to be authorized by the department head. In unusual situations (shoes are damaged), the purchase of more than two pairs of shoes can be authorized by the department head.

d. If an employee works in an area where safety glasses are required, the employee can take a current prescription (written within 2 years) to a company authorized provider and obtain a pair of safety glasses with the cost being paid by the Company. The purchase has to be authorized by the department head. The Company does not pay for the cost of the eye exam.

Section 7

a. Eastman recognizes that alcohol/drug dependence is an illness which affects the lives of a significant number of people. In addition to being an illness, alcohol/ drug abuse is a significant legal and economic problem. Its negative impact is felt in all segments of society including the workplace. The Company is concerned about the adverse effect that alcohol/drugs have on an employee's health, performance, attendance, work behavior, and ability to work safely. As a result, the Company's alcohol/drug testing procedures are designed to help assure the health, safety, rehabilitation and productivity of Eastman employees.

b. Therefore Eastman will implement its Alcohol and Drug Policy.

1. The Alcohol and Drug program will include pre-employment, random, reasonable cause, and DOT testing.
2. The random screening will not include a test for alcohol.
3. The details of the administration of the program will be designed by a joint Company and Union team.
4. The program will be supported with rehabilitation programs provided by the Eastman Employee Assistance Program and medical insurance plans.
5. Random testing will include a "two strikes and you are out" philosophy (the second positive test will result in termination).
6. Random testing will assure there is adequate time and support provided to an employee after testing positive and before the employee is subject to a subsequent random test.

ARTICLE 21
Supervisors Working

It is the policy of the Company that Supervisors will devote their time primarily to supervising employees rather than performing production work; provided, however, that this policy shall not prevent supervisors from doing bargaining unit work:

- (1) in emergencies when regular employees are not immediately available,
- (2) in the instruction or training of employees,
- (3) in testing material and production,
- (4) requiring temporary assistance in the performance of necessary work when production difficulties are encountered.

ARTICLE 22
Company and/or Union Meetings or Business**Section 1**

In the event contract negotiations between the Company and Union are held during the working hours of an employee who is a member of the Union Negotiating Committee, he/she will be relieved from work to attend the meeting (if his/her Department Head can spare him/her).

- a. The Company will not pay for time spent preparing for negotiations.
- b. The Company will continue the standard rate of pay for the members of the Union Negotiation Team for the time they spend in negotiation meetings.
- c. The Company will present a statement of wages paid for time in negotiations to the Local Financial Secretary for reimbursement.

Section 2

- a. In the event Union Membership meetings are held during the working hours of an employee who is a member of the Local 5852-11 Executive Board or an elected union official, he/she will be relieved for a maximum of eight (8) hours to attend the meeting (if his/her department head can spare him/her) but will not be paid by the Company for the time he/she has lost to attend the meeting.

b. When an employee desires to be excused from work for any legitimate Union business other than described above, he/she is required to advise his/her Department Head of the reason for and the length of such absence, and to obtain in advance the permission of his/her Department Head, who will base his/her decision on workload and manpower conditions anticipated. Such time off shall be without pay by the Company.

Section 3

a. The Company believes the establishment and continued functioning of the Union-Management/LMPSC (Labor Management Partnership Steering Committee) is positive and beneficial and strongly supports continuation of the Committee's monthly meetings.

b. For the purpose of discussing problems and conditions of employment not covered by this Agreement or any matter in the interests of the Union or the Company, the following procedure is provided:

1. Designated Company Representatives will meet with the Officers of the Union at 1:00 P.M. on every Thursday following the second Tuesday. The LMPSC will meet at least monthly at a mutually agreeable time and date.
2. Special meetings between the Company and the Officers of the Union may be called by either party and will be held as soon as possible, if mutually agreeable.

Section 4

a. An off duty local Union Official, or other off duty employee, or mutually agreed to International Staff Representative who has reason to enter Company property for Union Business during working hours may do so by advising the Production Superintendent or his/her designated representative of the nature of his/her business and by receiving the appropriate permission. If his/her business involves contacting employee(s) on duty, he/she must receive permission of the Shift Supervisor before contacting them. Reasonable limits will be followed as to time spent on such business.

b. No employee on duty shall spend any time on Union Business without the knowledge and permission of his/her immediate supervisor. It is the intent of both the Company and the Union to cooperate in the areas defined by Sections 1, 2, 3, and 4.

**ARTICLE 23
Severance Pay****Section 1**

Except as detailed in the following paragraph, in the event a full-time, non-probationary employee is permanently terminated by the Company, or his/her seniority rights are broken, by reason of termination, he/she shall be entitled to severance pay allowance, based upon his/her plant seniority, in accordance with the following schedule:

<u>PLANT SENIORITY REQUIREMENT</u>	<u>SEVERANCE PAY</u>
Under 1 year	None
1 year but under 3 years	4 weeks
3 years but under 5 years	8 weeks
5 years but under 7 years	12 weeks
7 years but under 10 years	16 weeks
10 years and over (maximum allowance)	20 weeks

Section 2

- a. Severance pay shall be calculated on the basis of a normal forty (40) hour week at the standard hourly wage rate thirty (30) days prior to severance or at the standard hourly wage rate at the time of severance, whichever is higher (excluding shift differential and overtime.)
- b. Employees who are discharged for proper cause, quit, or retire shall not be eligible for the foregoing severance pay allowance.
- c. Severance pay is not provided in the case of a change in ownership of the company which results in no break in seniority, service, and in comparable pay and benefits.
- d. Upon acceptance of severance pay allowance, all further rights to employment shall be forfeited except as specifically covered in Company Benefit Plans.

ARTICLE 24

Termination and Amendments

Section 1

This Agreement shall be effective as of October 1, 2014, and shall continue in full force and effect until midnight, September 30, 2019, and shall thereafter automatically renew itself from year to year unless terminated as herein provided.

Section 2

Should either party desire to terminate this Agreement on September 30, 2019, or on any annual renewal date thereafter, sixty (60) days prior written notice of such intent must be given to the other party hereto. In the event of notice of termination of the Agreement, it shall be the duty of the parties to meet in joint conference not later than thirty (30) days prior to the date on which the Agreement is to terminate.

Section 3

Amendments to this Agreement may be made only by mutual consent of the Union and Company. The party desiring an amendment shall give to the other party the proposed amendments in writing. Such amendment shall be executed in the same manner as is this Agreement.

Section 4

It is the intent of the Company and the Union that those past practices and procedures not covered in this Agreement shall be subject to review. Such past practices and procedures which are to be continued shall be included in this Agreement as Amendments.

Section 5

In the event that any of the terms or provisions of this Agreement are declared invalid or unenforceable by any court of competent jurisdiction or any Federal or State Governmental Agency having jurisdiction over the subject matter of this Agreement, the remaining terms and provisions that are not affected thereby shall remain in full force and effect.

Section 6

In the event any of the terms or provisions of this Agreement are so declared invalid or unenforceable, Company and Union will promptly meet to negotiate substitute terms and provisions for those declared invalid.

ARTICLE 25
Equal Opportunity

Section 1

Eastman Chemical Resins, Inc. is committed to a policy of affirmative action in promoting equal employment opportunity in its operating units. We recognize the importance of upgrading the use of human resources to the mutual advantage of the individual and the organization.

Section 2

In adherence to this policy, we will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, or national origin. Further, affirmative action will be directed towards providing equal opportunity for qualified individuals with disabilities, special disabled veterans, Vietnam era veterans, and other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

Section 3

When the masculine pronoun is used in this Agreement it shall refer to both sexes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names by their respective representatives as of the day and year first above written.

FOR THE UNION

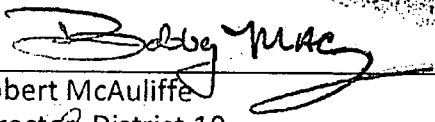
UNITED STEELWORKERS (USW)
DISTRICT 10, LOCAL #5852-11

Leo W. Gerard
International President

Thomas M. Conway
International Vice President/Administration

Stan Johnson
International Secretary - Treasurer

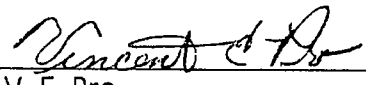
Fred Redmond
International Vice President/Human Affairs



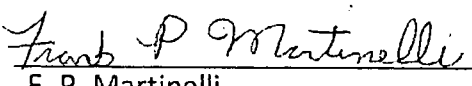
Robert McAuliffe
Director, District 10



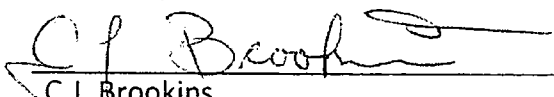
Linda Breeden
International Staff Representative



V. E. Pro
Unit President



F. P. Martinelli
Secretary - Treasurer

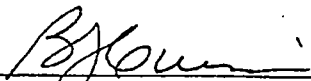


C.J. Brookins
Negotiations Representative

FOR THE COMPANY
EASTMAN CHEMICAL COMPANY
JEFFERSON, PA SITE



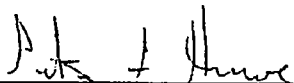
R. D. Lerario
Director, Adhesives & Specialty Fluids Manufacturing



B. J. Guinn
Human Resources Manager



A. M. Denucci
Human Resources Generalist



P. L. Huwe
Maintenance Manager

EXHIBIT I
Standard Hourly Wage Rates

JEFFERSON EFFECTIVE

RC %	10/1/14 2.5%	10/1/15 2.5%	10/1/16 2.6%	10/1/17 3%	10/1/18 3%
1	21.45	21.99	22.56	23.24	23.94
2	22.73	23.30	23.91	24.63	25.36
3	25.11	25.74	26.41	27.20	28.02
4	25.94	26.59	27.28	28.10	28.94
5	26.73	27.40	28.11	28.96	29.82
6	27.55	28.24	28.98	29.84	30.74
7	28.76	29.48	30.25	31.15	32.09
8	28.96	29.68	30.45	31.37	32.31
9	29.69	30.44	31.23	32.16	33.13
10	30.05	30.80	31.61	32.55	33.53
11	31.79	32.58	33.43	34.43	35.46
<u>Minimum Hiring Rate</u>	17.17	17.60	18.06	18.60	19.16

*October 1st increases will become effective the last pay period prior to October 1st of each year.

*Employees are eligible for additional qualifications. Employees holding additional qualifications will receive an additional \$.50 per hour for each additional qualification.

**Upon Completion of
Probation Period
 (Rate Class 1)**

Shift Differentials

SHIFT

3 - 11 \$.70

11 - 7 \$.85

Area 1 Pay Rate for New Hires / New Hires assigned into this Job

# of Certifications	2014	2015	2016	2017	2018
1	24.14	24.74	25.38	26.14	26.92
2	25.28	25.91	26.58	27.38	28.20
3	26.41	27.07	27.77	28.60	29.46
4	27.55	28.24	28.97	29.84	30.74

EXHIBIT II**Job Classifications**

- Six certifications for this area are: Upper Plant PUO, Lower Plant PUO, C5 PUO, C5 Roto Helper, LTC Packaging Helper, and WW/MP Poly Helper

Trainer Pay (Production and Maintenance)**Production**

Jobs with Target of \$300.00
20 days or less

Jobs with Target of \$600.00
25 or more

Maintenance

Craft to Craft \$300.00

Shift Mechanic/
Apprentice \$600.00

EXHIBIT II
Job Classifications

PRODUCTION DEPARTMENT

<u>RC</u>	<u>Job</u>
11	Relief Operator
10	Temporary Supervisor Relief
9	Area Operator
7	Water White Poly Operator
7	Water White Finishing Operator
7	Solution Poly Operator
7	Aclube Operator
7	Hydro Operator
7	Emulsion Operator
7	C5 Operator
7	Shift Chemist 1
7	MP Poly Operator
7	Truck Driver
7	WWTP Operator
6	Packaging Operator
6	Plant Utility Operator
6	C5 Assistant Operator
6	C5 Roto Operator
5	Shipper
4	Water White/MP Poly Helper
4	Emulsion Helper
4	Solution Poly Helper

Job Enhancements

C5 Operator	\$.30	Emulsion Operator	\$.30
Shift Chemist 1	\$.50	C5 Assistant Operator	\$.60
Safety Specialist	\$.75		

Once qualified as an Area Operator, the extra enhancement pay will no longer be paid.

Notes:

- Employees are eligible for additional qualifications.
- Employees will receive \$.50 for each additional qualification.
- Employees assigned to perform Drumming duties will receive Rate Class 3. Drumming duties will not constitute a job classification and, therefore; will not be subject to the bidding procedure.

MAINTENANCE DEPARTMENT

<u>RC</u>	<u>Job</u>
1	Janitor
2	4th Class Mechanic
3	3rd Class Mechanic
4	2nd Class Mechanic
5	Environmental Specialist
6	1st Class Mechanic
7	Safety Specialist
8	Steam Maintenance and Boiler Relief
8	Specialist Mechanic
9	Electrical (with Instrument Qualification)
9**	Shift Utility Mechanic
10	Temporary Supervisor Relief

Job Enhancements

Crane Operator Certification	\$.50
Shift Mechanics**	\$.70 (with Instrument Qualification)

Notes:

- The electrical and instrument crafts are combined. Electricians will perform electrical and instrumentation maintenance work and instrumentation employees will perform

instrument and electrical work. The combination of these crafts into one will be considered as separate only for the purposes of vacation, overtime and pagers. Current Rate Class 8 Electricians will be paid at a Rate Class 9.

b. Qualification from the Grade 8 or 9 rate will be dependent on the employee demonstrating to his/her supervisor the skills deemed by the Company to be necessary for achieving the Grade 8 classification. For a maintenance department Employee to be eligible for Grade and Rate, he/she must have 1 year of Company service. This excludes the Shift Utility Mechanic Position.

c. It is agreed the Company will develop an appropriate job related examination to evaluate the skills of Rate Class 6 Maintenance Department Mechanics. Those Rate Class 6 Maintenance Department Mechanics, who successfully meet the requirements of this examination, as determined by the Company, will receive an additional thirty cents (\$.30) per hour (multi-job skills) in addition to their Rate Class 6 base rate.

d. The Steam Fitter Welder and Pipe Fitter Welder crafts are combined. Steam Fitters will perform steam and pipe work and Pipe Fitters will perform steam and pipe work. The combination of these crafts will also include vacation, overtime and pagers. Current Rate Class 8 Steam Fitter Welders and Rate Class 8 Pipe Fitter Welders will be paid at Rate Class 8.

EXHIBIT III
Check-Off Authorization Card

Company

Plant

Date

20____

Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the Company, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the

International Treasurer of the Union, as my membership dues in said Union. The aforesaid membership dues shall be remitted promptly by you to Stan Johnson, or his/her successor, International Treasurer of the United Steelworkers, or its successor, Five Gateway Center, Pittsburgh, Pennsylvania 15222.

This assignment and authorization shall be effective and cannot be cancelled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods on one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be cancelled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed, an individual written notice signed by me and which shall be post-marked or received by the Company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the Financial Secretary of the Local Union.

Local Union No. _____
United Steelworkers

Signature

Witness

Check No. _____ Ledger No. _____

EXHIBIT IV
Overtime Procedures

PRODUCTION DEPARTMENT - Overtime Procedures

The following guidelines will be used in determining overtime distribution for an individual department or group provided its employees have the required skills. With the exception of overtime required to fill vacancies for vacation relief, the following procedure will be used after it has been determined that overtime is required.

- a. When a vacancy exists, the incumbent job holder working the shift preceding the vacancy will be the first person asked to fill the vacancy provided his/her consecutive hours worked will not exceed sixteen (16) hours. Should the vacancy not be filled in this manner, the remaining incumbent job holders (including relief operator) will be asked next starting with the lowest employee. (The lowest employee is defined as the individual having the lowest total accumulated hours of overtime (worked and refused) as shown on the current overtime list.) When two or more employees have identical total overtime (within four (4) hours), the employee highest in seniority will be the first asked.
- b. If the vacancy is not filled in Step 1, any qualified employee(s) can be asked. Monthly inventory requirements will be filled under this step.
- c. Overtime coverage of a vacancy may be shared by two (2) employees. However, the first employee who agrees to cover the full vacancy will be allowed to do so, canceling (no refusal to be charged) any prior agreement by an employee to cover part of the vacancy. When two employees in the order of asking agree to share coverage of the vacancy, it will be deemed filled.
- d. An employee who refuses an overtime offer will be charged with refusal equivalent to the hours worked and will not be asked again during the next 24-hour period, unless an emergency or unusual situation occurs.
- e. An employee called for overtime while off due to illness or injury will not be charged with refusal, provided he/she has previously called in and reported off through proper channels.
- f. When an employee returns to work after an extended absence of ten (10) or more scheduled work days, due to illness or injury, his/her standing on the current overtime list

will be adjusted by adding the required hours to his/her overtime total to restore him/her to the same relative position on the list as he/she was at the start of his/her absence.

g. An employee called for overtime while on vacation will not be charged if he/she refuses to come in. (An employee on vacation will be called only as a last resort or when an emergency is imminent.)

h. When an employee enters the department via the bidding, bumping, or recall procedures or upon being newly hired, the employee will be charged with overtime hours such that his/her total charged overtime is one hour greater than the highest total charged hours of any other department member.

i. An employee(s) who is scheduled for a sixth work day within a calendar week may exercise an option to obtain his/her own replacement. Replacement must be qualified and physically able to perform the job. Replacement must be obtained and supervision notified prior to twenty-four (24) hours of the desired schedule change.

j. A separate overtime list will be maintained for each department. The list will be updated on Tuesday of each week and will serve as the basis for offering overtime during the next seven (7) calendar days.

k. Overtime hours worked in another department will accumulate in both the department where an employee is temporarily assigned and the employee's regular department.

MAINTENANCE DEPARTMENT - Overtime Procedures

The following guidelines will be used in determining overtime distribution for Maintenance Department employees having the required skills.

a. Call-in or scheduled overtime will be offered first to the "lowest employee" having the required skills. "Lowest employee" is defined as the individual having the lowest total accumulated hours of overtime (worked and refused). The two exceptions to the lowest employee first rule are defined in items b and c below.

b. The incumbent job holder working the shift preceding the vacancy will be the first person asked to fill the vacancy provided his/her consecutive hours worked will not exceed 16 hours.

- c. When a job extends beyond the normal quitting time, those employees working on the job (job continuation) will be given first consideration to work over to complete the job. An employee in this position who refuses to work over will be charged with the equivalent hours required to complete the job.
- d. When calling for overtime in the maintenance department, the company will first use the voluntary overtime list then use the regular overtime list.
- e. An employee called for overtime while off due to illness or injury will not be charged with refusal, provided he/she has previously called in and reported off through proper channels.
- f. When an employee returns to work after an extended absence of ten (10) or more scheduled work days, due to illness or injury, his/her standing on the current overtime list will be adjusted by adding the required hours to his/her overtime total to restore him/her to the same relative position on the list as he/she was at the start of his/her absence.
- g. An employee called for overtime while on vacation will not be charged if he/she refuses to come in. (An employee on vacation will be called only as a last resort or when an emergency is imminent).
- h. When two or more employees have identical total accumulated overtime hours, the employee highest in seniority will be the first asked.
- i. When an employee is called between the hours of 11:30 p.m. and 7:30 a.m. for an emergency call-in and the Supervisor making the call is advised the individual is not at home or is otherwise unavailable, the employee will be considered to have refused the overtime and will be charged with three (3) hours overtime, or the equivalent hours to complete the job whichever is greater.
- j. When an employee enters a department via the bidding, bumping or recall procedures, he/she will be charged with overtime hours such that his/her total overtime hours exceed the highest total hours of any person in the Department by one (1) hour.
- k. It is permissible for personnel to "split" shift overtime (work four hours each).

l. Overtime hours worked in another department will accumulate in both the department where an employee is temporarily assigned and the employee's regular department.

m. An overtime standing sheet will be issued weekly for each craft and will serve as the basis for determining the lowest employee for overtime purposes. Overtime standings will be updated on Tuesday of each week. However, during the month of December of each calendar year, common sense may be used when it is known for a fact that the position on the list has changed due to a person receiving overtime between reports.

n. Maintenance Overtime Call-in List

A weekly list shall be composed of volunteers and asked in order of existing OT guidelines. OT hours worked by call-in volunteers will be kept separately. Therefore, the OT worked and refused will be kept completely separate from the normal department OT. Forced OT guidelines will remain the same.

It should be remembered that the basic reason for overtime is to make repairs and to get operations resumed in a prompt and orderly manner. Any method of overtime distribution ultimately adopted must, of necessity, reflect this objective. These considerations must be made and, in making them, there will be occasions when the lowest employee will be by-passed in order to bring in the individual(s) considered to have the skills to resolve the problem in a more timely and efficient manner.

EXHIBIT V

Workforce Flexibility

Overview Document

The workforce flexibility concept is designed to maximize the efficiency and effectiveness of the Jefferson Plant. This document serves three purposes:

- A framework for the workforce flexibility concept.
- A table of contents identifying the specific flexibility areas which are listed below.
- To affirm the prerogative of management to enact these measures in order to increase plant efficiency and effectiveness.

The workforce flexibility areas listed below are not all-inclusive and may be subject to change (modifications, additions, deletions) as business conditions require.

- a. Production employees obtaining additional qualifications (upwards, lateral and downward) based on the needs of the operating units.
- b. The establishment of a Relief Helper position(s).
- c. Production employees performing equipment servicing and minor maintenance work (see Workforce Flexibility - Attachment I).
- d. Maintenance craft employees to:
 - serve as assistant to other crafts as plant operating conditions require (generally known as a second pair of hands).
 - work across craft lines to perform less complex tasks, basic to intermediate level tasks.
- e. In an effort to support continual improvement, employees are encouraged to serve on joint labor management teams for purposes such as quality improvement, problem solving, and productivity improvement.
- f. The use of job continuation as an exception to the overtime distribution procedure.
- g. Use of safety contacts on each turn in the Production Department.
- h. The Company would like to work with the Union to establish a behaviorally based safety program.

**WORKFORCE FLEXIBILITY
ATTACHMENT I**

Production employees performing equipment servicing/minor maintenance duties. In order to achieve greater operational and maintenance efficiency and flexibility, production employees are to perform equipment servicing and minor maintenance duties as part of their responsibilities. This will allow production employees to fully utilize their capabilities and concentrate the skills of maintenance craftspeople to areas, where those skills are most needed. The duties listed below are representative of the

duties to be performed by production employees. This list is not all-inclusive and may be subject to change as required by business conditions.

- checking lube levels
- adding seal oil to reservoirs
- tighten packing on valves
- assessing the status of equipment (i.e. monitoring temperature on bearings on a chiller PLC screen)
- greasing valves
- conducting an equipment walk through utilizing a checklist
- verifying operating conditions of equipment (i.e. pump pressure, flow rate has not deviated)
- cleaning equipment-serving as a maintenance helper during operation unit shutdowns

WORKFORCE FLEXIBILITY ATTACHMENT II

The Company and Union agree to jointly work together to implement the following workforce flexibilities. Reasonable job scope, limitations and applications will be determined by the Company and Union.

Operations employees will initiate and participate in the completion of all Safety Permits with proper notification and training.

- QC Testing at Unit (Tests to be determined) Ordering and Receiving Raw Materials in SAP Assist Maintenance
- QC does Analytical Work (Possible test include GPC, GC and Glass Transition)
- Electronic OAU Tracking and Reporting
- Equipment Servicing and Minor Maintenance:
 - Pulling Pumps (Size to be determined)
 - Replace Valves (Size to be determined)
 - Replacing Relief Valves, Conservation Vents and Flame Arrestors
 - Interlock Testing
 - Rupture Discs (Size to be determined)
 - Insulation removal and temporary replacement
 - Perform calibrations of scales (Type of scales to be determined)

- Switch gas cylinders
- Prepare exchangers for cleaning
- Properly lubricate equipment (oil and grease) and take samples
- Conduct field inspections and document findings for corrosion, vibration, and damage (insulation, painting, structural, leaks, etc.)
- Troubleshoot rotating equipment (speed, seal systems, unusual noises, etc.)
- Perform specified preventive maintenance tasks
- Change out steam traps
- Hook up a portable air compressor and use pneumatic tools
- Alarm checks and verifications
- Repair small process, water, and air leaks
- Changing or inspection of check valves

The Company recognizes that an implementation period is necessary to ensure an efficient transfer of these duties to production employees and to ensure that the production employees are capably performing these duties.

EXHIBIT VI Enabling Agreement

In today's world, organizational success and job security are increasingly tied to the demands of the global marketplace. The demand for higher quality, lower cost, faster delivery, easier service and more customization are among the realities impinging on the Jefferson, Pennsylvania organization.

Accordingly, the Company and Union, in the form of the Labor Management Partnership Steering Committee (LMPSC), agree and commit to focus on cooperative efforts toward common goals such as improved operations, efficiency and effectiveness, greater utilization of the workforce and increased employee job satisfaction.

In focusing on these efforts, it is recognized that a great deal of initiative, imagination and flexibility will be required of the LMPSC. While not intended to limit such innovation, the following are examples of appropriate areas the LMPSC agrees to address.

- A review of the Improved Work System concept and its key components with the intent of establishing and implementing the concept and applicable components in a manner most acceptable to the Jefferson organization and culture.
- A review and establishment of pay-for-skill wage systems.
- The review and establishment of new and innovative forms of work organization.
- Employee performance issues and a review of innovative employee corrective action processes and practices.
- The design and delivery of skill and behavioral based training for bargaining unit employees.
- Quality of work life issues.
- The establishment of employee morale/satisfaction and informational surveys and improvement plans.

Over the term of this Agreement, it is expected and agreed that the LMPSC address each of the above mentioned initiatives, giving particular emphasis to the improved work systems concept and new and innovative forms of work organization. It is agreed that the LMPSC, through its work defined above, will make every effort to reach a goal of \$75K of operational savings for each year of the Agreement.

Additionally, the LMPSC will develop metrics for measuring the progress or performance against the above initiatives.

The joint efforts of the Company and Union through the LMPSC to improve operational and organizational effectiveness may require change or waiver to contractual agreements or practices. It is understood that any such waivers, modifications or changes would be effective only with agreement from the Company and Union, specifically, the local Unit President, the USW Staff Representative, the Site Manager and the Human Resources Manager.

EXHIBIT VII
Qualification Training Days

PRODUCTION POSITION	TARGET COMPLETION	EXTENSION COMPLETION
Emulsion Area Operator	55	75
MP-Poly Operator	30	40
Solution Poly Operator	35	50
Solution Poly Helper	20	25
Aclube Operator	20	30
Water White Area Operator	40	55
C5 Area Operator	65	95
C5 Roto Operator	20	25
Plant Utility Operator	40	60
Hydro Operator	30	40
LTC Area Operator	45	70
Shift Chemist	20	40
Boiler Operator	20	25
Truck Driver	15	20
Waste Water Treatment Operator	20	25
Shipper	10	20

EXHIBIT VIII
Trainer Notice

Training

- Management assigns trainers and the employee cannot refuse the assignment. Trainer payments will be made for bid jobs and training assignments. No trainer payment will be for jobs where employees learn on their own with some dedicated time.
- Where practical, bid job training will be accomplished on the daylight shift. However, the last several weeks of training will be dedicated to a single trainer. This may require the trainee to work shifts for this period of his/her bid job training.
- Maintenance will be paid for training (\$300 for single craft/\$600 for SUM and Apprentice)
- Safety Specialist and Apprentice will be eligible to receive Trainer Pay.

EXHIBIT IX
Qualification and Qualification Retention Guidelines

I. QUALIFICATION

- a. The Qualification and Qualification and Retention Guidelines will continue to apply for training, job qualifications, multiple skills, and pay for skills.

The Company retains the right to train any employee as it deems necessary, (upwards, laterally, and downward). The principle of offering training to the most senior employees will be applied where it is reasonable to do so.

II. RETENTION OF A QUALIFICATION

- a. Retention of a job qualification can be accomplished in the following ways:
1. An employee works on the job for the required number of hours within the specified time period (Refer to Attachment I). Employees will be responsible for submitting signed verification of hours worked to the designated Company representative within forty-eight (48) hours of working on the job.
 2. If an employee holding a qualification does not receive the opportunity to work on the job for the required number of hours within the specified time period, the employee will be able to retain the qualification by successfully completing, to the satisfaction of supervision, a job certification exam prior to the retention expiration date.
 3. If the employee contacts supervision and is unable to schedule a job certification exam prior to the retention expiration date, the employee must notify the Training Supervisor in order to obtain an extension. The Training Supervisor will then work with supervision and the employee to schedule an appropriate date and time for the job certification exam.

III. REQUALIFICATION ON A PREVIOUS EXPIRED QUALIFICATION

- a. Employees may request to qualify on previous dropped qualifications or new qualifications by making a request by email to the HR Department Training Supervisor. The Assistant Area Supervisor and Training Supervisor will evaluate the employee on their

safety knowledge of the unit along with knowledge of the job and demonstration of skills. The decision of the Assistant Area Supervisor and the Training Supervisor will be final.

IV. ADMINISTRATION OF GUIDELINES

- a. A copy of the job guidelines will be given to an employee on the first day of training. An employee seeking a job qualification will be provided the appropriate guidelines upon notification of supervision.
- b. Periodically during the qualification period, a designated Company representative(s) will review with the employee:
 1. Items covered in the guidelines and the employee's level of knowledge.
 2. Areas of weakness
 3. Any problems with the quality of training
 4. Any questions regarding the guidelines or operating unit process
- c. Within the Targeted Qualification completion time (or at a time determined by supervision when the employee is capable of qualification), the designated Company representative(s) will meet with the employee with the intent of evaluating the employee on knowledge of items in the job certification exam. If the trainee fails the certification exam and the training period extends into the extension period, the certification exam will be given during the extension period.
- d. If an employee fails to qualify, they will be assigned in accordance with the applicable provisions of the Agreement.
- e. A complete listing of job qualifications will be maintained by supervision. This information will include the date a qualification was obtained and the date the qualifications will expire. A copy will be provided to the Union on a quarterly basis.
- f. An annual bulletin board posting will be posted reminding employees that they have the responsibility to maintain an existing qualification.

**EXHIBIT X
ATTACHMENT 1
Qualification Retention System**

UNIT POSITION	HOURS REQUIRED TO MAINTAIN QUAL.	TIME ALLOWED TO UPDATE QUAL.
C-5 Operator	16 Hours	1 Year
C5 Assistant Operator	16 Hours	1 Year
Emulsion Operator	16 Hours	1 Year
Shift Chemist	16 Hours	1 Year
Shift Chemist 1	16 Hours	1 Year
Water White Poly Oper.	16 Hours	1 Year
Water White Fin. Oper.	16 Hours	1 Year
MP-Poly Operator	16 Hours	1 Year
Shipper	16 Hours	1 Year
WWTP Operator	16 Hours	1 Year
Hydro Operator	16 Hours	1 Year
Packaging Operator	16 Hours	1 Year
Solution Poly Operator	16 Hours	1 Year
Solution Poly Helper	16 Hours	1 Year
Aclube Operator	16 Hours	1 Year
Plant Utility Operator	16 Hours	1 Year
C5 Roto Operator	16 Hours	2 Years
Emulsion Helper	16 Hours	2 Years
WW/MP Poly Helper	16 Hours	2 Years

**EXHIBIT XI
LETTERS OF UNDERSTANDING**

LETTER OF UNDERSTANDING 1 – VIP

The parties agree that bargaining unit employees are eligible for the Eastman Variable Incentive Plan program.

LETTER OF UNDERSTANDING 2 – FIRE WATCH

The Company agrees to fill firewatch needs by recalling employees on layoff status in order of seniority and qualifications. Employees must hold a job qualification to be

recalled to this position or to bump to this position. Employees will be recalled provided there are 4 or more hours of firewatch work anticipated in a given week. If additional work is available beyond the initial 4 hours of firewatch, employees will be assigned additional work up to 8 hours.

In the event that no employees are available from layoff status, the Company will determine the method for filling firewatch needs. It is furthered agreed that employees recalled from layoff to perform firewatch work will be paid at a Rate Class 1.

LETTER OF UNDERSTANDING 3 – SHIPPING DEPARTMENT

During the course of 2004 collective bargaining negotiations, the Company and Union have agreed to modify rates of pay in the Shipping Department.

Effective with the 2004 agreement, current employees holding a bid job in the Shipping Department will be red circled in their current rate of pay and will continue to be eligible for all applicable mark-up rates of pay.

All employees entering the Shipping Department by bid in the future will be paid at a Rate Class 5 and will be ineligible for any mark-up rates of pay.

This will establish the Rate Class 5 as the only rate of pay in the Shipping Department.

LETTER OF UNDERSTANDING 4 – MAINTENANCE PAGER (ORIGINAL DATE 3/4/2002)

(This section is intentionally left blank.)

LETTER OF UNDERSTANDING 5 – OFF ON A HOLIDAY (ORIGINAL DATE – 9/6/01)

There has been a disagreement in the interpretation of Article 7, Section 3, Paragraph (c) in the recently ratified contract.

The contract section reads:

If an employee is normally scheduled to be off on a Holiday, the hours scheduled to be off/missed will be counted as hours worked for the purpose of calculating weekly overtime.

The Union has interpreted this to mean that if an employee who is working a rotating shift schedule and his/her scheduled day of rest falls on a holiday, then the holiday hours (8 hours) should count as hours worked for the calculation of weekly overtime.

The Company has interpreted this to mean that "normally scheduled to be off on a holiday" means the employee does not normally work on holidays (day workers) and that rotating shift workers are normally scheduled to work holidays (75% of them work every holiday); therefore, holidays that fall on a scheduled day of rest do not count as hours worked for the calculation of weekly overtime.

Both parties acknowledge the misunderstanding and that it is a result of miscommunication rather than an intent by either party to mislead or misrepresent their position to the other party. Further, both parties acknowledge acceptance of the Union's interpretation will result in:

- employees receiving compensation for hours they did not receive compensation for under previous labor agreements
- rotating shift workers receiving advantageous treatment when compared with day workers
- compensation for holiday hours not being spread evenly over the employees on the four turns and that acceptance of the Company's interpretation will result in:
 - some employees receiving less pay than they anticipated when voting to ratify the contract
- a continuation of past pay practices related to holidays falling on a scheduled day of rest for employees working a rotating shift schedule
- acceptance of standard Eastman wording and interpretation related to holiday hours falling on a scheduled day of rest in an effort to resolve the issue in a manner that is fair and equitable to both parties, the Union and the Company agree to the following terms for the duration of this contract

1) For rotating shift employees (A-B-C-D Schedule), one turn out of four has a scheduled day of rest on a holiday. All four turns are scheduled for at least 40 hours of work during a week (three turns are scheduled for 40 hours and one turn is scheduled for 48 hours). When a holiday falls on the scheduled day of rest for these rotating shift workers, four hours will be counted as time worked for the calculation of weekly overtime.

2) For day shift employees, holidays are normally not scheduled to be worked and the work week is reduced by eight hours due to the holiday. For day shift employees, the

eight hours missed/not worked on the holiday will be counted as time worked for the calculation of weekly overtime.

3) For other schedules or situations where the work week is reduced below 40 hours due to a holiday, the observance of the holiday results in 8 hours being counted toward the calculation of weekly overtime. For example, if a rotating shift schedule employee (either A-B-C-D or X-Y-Z who is not normally scheduled to be off on a holiday), has his/her schedule changed by management to not work on a holiday (this is not when a holiday falls on a scheduled day of rest); for example management shuts down an operation on a holiday due to low demand and "gives" the employees the holiday, the rotating shift employee will be treated the same as a day shift employee. Eight hours for the shift would be counted toward the calculation of weekly overtime.

4) Employees who were working the rotating shift schedule and the July 4, 2001 and September 3, 2001 (Labor Day) holidays fell on their scheduled days of rest; the eight hours for each of those holidays will be counted as hours worked for the calculation of weekly overtime. This is a one-time action designed to relieve the dissatisfaction caused by the misunderstanding.

Further, the Union and the Company agree that these are interim actions for the duration of this contract. During negotiation of subsequent contracts, the Union and the Company will address this as a new issue and agree not to treat the interim solutions as precedence for future agreements.

LETTER OF UNDERSTANDING 6 – STAFFING (ORIGINAL DATE 7/18/2002)

Introduction

It is the Company's policy to satisfy staffing requirements in a cost effective manner while maintaining employment stability for Eastman employees. It is also the Company's intent to provide fair and equitable treatment to all employees. To those ends and in response to questions raised by Union leadership, the Company proposes the following letter of understanding. The provisions of this understanding apply to instances when an employee is assigned to temporarily work on a Rate Class job that is higher than his/her base or standard Rate Class. If an employee is temporarily assigned to work a job which has a lower Rate Class than his/her base or standard Rate Class, the provisions of Article 7, Section 7, paragraph (b) will apply.

Categories of Staffing Requirements

Changes in staffing requirements will generally fall into one of three basic categories.

1) **Permanent** – when there is an opening in a recognized job assignment. Normally, a “permanent” vacancy is the result of an incumbent leaving his/her job assignment with no reasonable management expectation of the employee returning to that job in the future.

2) **Temporary Long-Term** – when there is either:

- Reasonable management expectation that an incumbent will be absent from his/her job assignment for at least thirteen (13) consecutive weeks but will be able to return to the job at the end of the absence, or
- A new job assignment has been created and it is expected that there will be a need for the assignment for more than thirteen (13) consecutive weeks but less than fifty-two (52) consecutive weeks

3) **Temporary Short-Term** – when there is an opening in a recognized job assignment that is expected to last for less than thirteen (13) consecutive weeks.

Methods for Meeting Staffing Requirements

Permanent vacancies will be filled using the bidding and the qualification processes contained in the collective bargaining agreement.

Temporary Short-Term and Temporary Long-Term vacancies will be filled using the process in Article 12(A), Job Vacancies, Posting, Transfers and Temporary Job Moves (Production and Maintenance Department); Section 6, Temporary Job Move.

Compensation Treatment while on a Temporary Job Assignment

Temporary Short-Term assignments to a Rate Class higher than the employee’s base or standard Rate Class:

- The employee remains on his/her base/standard Rate Classification

- All pay allowances (vacation, holiday, paid time off, etc.) are provided at the employee's base/standard Rate Class rate or the rate of the temporary job, whichever is greater. Reference contract provisions Article 8, Section 2, Paragraph f; Article 9, Section 3; Article 18, Section 1, etc. (Note: These references are not meant to be all inclusive but to serve as examples of the shared intent of the labor agreement.)
- The employee receives a pay differential as described in Article 12 (A), Section 6, Paragraph (g) in the collective bargaining agreement.

Temporary Long-Term assignments to a Rate Class job higher than the employee's base or standard Rate Class:

- The employee receives a "Temporary Promotion", (the "Temporary Promotion" is made within the SAP R/3 system) to the Rate Class of the job being worked.
- All pay allowances (vacation, holiday, paid time off, etc.) that are provided during the time of the "Temporary Promotion" are made at the Rate Class of the job being worked.
- When the "Temporary Promotion" is completed the employee returns to the Rate Class of his/her permanent bid job.

These statements do represent an addition to the collective bargaining agreement and would result in an expansion of the practices that have been followed since July 1, 2001.

Effective Date

This Letter of Understanding will become effective with the start of the payroll week on July 29, 2002 and expire with the expiration of the current Labor Agreement.

Special Situations

- Employees who are on temporary work assignments on July 29, 2002 and if the sum of the time they have previously worked on the higher classified job plus the time management reasonably expects the assignment to continue is greater than thirteen (13) weeks they will receive a "Temporary Promotion" to the higher Rate Class job that is effective July 29, 2002 and continue until they are relieved from the higher classified job. There will be no retroactive pay calculations.

▪ If an employee receives a Temporary Short Term assignment and the circumstances change such that management has a reasonable expectation, the assignment will be extended to exceed thirteen (13) weeks from the time the employee first started the Temporary Short Term assignment to the adjusted anticipated end of the assignment, the employee will receive a "Temporary Promotion" to the higher Rate Classification effective the first payroll Monday following the expectation of extending the assignment. There will be no retroactive pay calculations.

LETTER OF UNDERSTANDING 7 – MAINTENANCE DEPARTMENT OVERTIME

This document is an addendum to the Maintenance Department Overtime Procedures. Its sole purpose is to provide clarification and definition to this paragraph.

Job continuation is appropriate when all of the following criteria are met:

- a) A sense of urgency exists
 - b) The work to be done is important
 - c) It is efficient to do the work in this manner
- Emergencies or urgent repairs needed to keep the plant, operating unit or piece of equipment running constitute some of the examples of when job continuation is to be used.

Schedulable, multiple day jobs that are not of an urgent and important nature, and which would be inefficient to use job continuation, should not utilize job continuation.

Definitions of Terms:

Urgency - calling for immediate attention

Important - indicative of significant worth or consequence.

Efficient - a potential for action or use in such a way so as to avoid loss or waste of energy in effecting, producing or functioning.

When a daylight maintenance employee is called out prior to his/her shift and works extended hours, there is to be an 8-hour rest period that will be normally required prior to returning to work their regular scheduled shift. If the rest period precludes them from working their regular shift, that time not worked will be counted toward the calculation of weekly OT but will not be paid. Any portion of the day that the employee works will default to their regular work schedule. Any exception will require supervisor and department manager approval.

LETTER OF UNDERSTANDING 8 – OUTSIDE CONTRACTORS

During the course of recent collective bargaining agreement negotiations, the Union and the Company discussed the implementation of the policy outlined in the management rights function article of the 2004 Agreement. This policy requires the Company to notify and consult the Union when outside contractors are used. The parties agree that the subject of "Subcontracting" will be included as a standing agenda item for Monthly LMPSC meetings.

LETTER OF UNDERSTANDING 9 – MAINTENANCE SUBCONTRACTORS

During the course of recent collective bargaining agreement negotiations, the Company and the Union have agreed upon new language in the area of maintenance subcontracting, specifically management rights articles. This letter will confirm certain understandings reached by the parties concerning the parties' intent with respect to implementing the above referenced language.

The Company recognizes the importance of its skilled trades personnel to the overall, efficient operation of the Jefferson Plant and, where feasible, in accordance with the specific language of management rights article shall continue to utilize Maintenance Department personnel in lieu of hiring outside subcontractors. However, as in the past, the parties recognize that, under certain circumstances, the Company will continue to hire outside contractors to perform certain maintenance and construction tasks; e.g., those involving certain skills which are generally unavailable in the plant work force in the area of automotive maintenance, sheet metal and layout work, code welding and equipment erection, or additionally, those tasks that cannot be completed within time and cost limitations by plant personnel. The aforementioned examples are not meant to be all inclusive, but rather, illustrate selected examples of special circumstances which require the use of outside contractors.

It is further understood that the Company will continue to consider the skills and abilities of employees, other than skilled trades employees, who are subject to layoff when making the decisions to hire outside contractors.

LETTER OF UNDERSTANDING 10 – SHORT TERM DISABILITY/LONG TERM DISABILITY

The maximum benefit for Short Term Disability for all Employees is twenty six (26) weeks (1040 hours). Effective 1/1/15, there will be no unpaid waiting week required. In all

cases of disability of 40 or more work hours you must present acceptable medical evidence that you are unable to work to the Medical Department within the time limits required by Eastman. Employees will not be paid STD for absences less than 40 consecutive hours.

In the event an employee is receiving Short Term Disability benefits, he/she may, upon request schedule vacation. For any vacation taken, the employee will receive his/her vacation allowance and the time will not count toward diminishing the STD benefit.

The employee will not be permitted to receive a vacation allowance and STD benefit simultaneously.

In the event that a former employee is rehired after a condition or injury which resulted in Long Term Disability status, the employee's seniority with the Union shall be restored. In order to qualify for rehire by the Company, the former employee must meet all eligibility requirements for employment, including but not limited to, having been an employee in good standing, meeting all essential elements of the job for which he/she is being considered and a clear status in all other pre-employment screening requirements of employment.

LETTER OF UNDERSTANDING 11 – HOLIDAY ALLOWANCE

Holiday allowance will be paid at the employee's standard rate classification or temporary transfer rate, whichever is higher, at the time of the holiday.

LETTER OF UNDERSTANDING 12 – WORK COVERAGE POSTING

An employee who signs a "work coverage posting" (not vacation coverage) agreeing to work overtime and who fails to do so will be appropriately recorded as absent for those hours not worked. The employee will be required to report off in accordance with the "Call-Off System" provisions. This general rule will not apply to vacation coverage in those cases where the employee signs for the overtime and is unable to fulfill this commitment but who obtains coverage in accordance with the applicable overtime provisions and also notifies the appropriate supervisor of the change.

LETTER OF UNDERSTANDING 13 – RETURN FROM LAYOFF

If a person is physically unfit to return from layoff when recalled, his/her condition will be confirmed by a Company designated physician. After such confirmation, he/she will retain recall rights for a period of twenty-four (24) months from the effective date of his/her original layoff or the length of his/her plant seniority, whichever is shorter.

The affected person may exercise his/her right to return to work during the time specified in the preceding paragraph upon verification by a Company designated physician that he/she is physically capable of performing his/her regular job assignment.

In no event will such recall rights extend beyond twenty-four (24) months from the original date of layoff, unless said person makes application for a Leave of Absence and such leave is granted by the Company.

LETTER OF UNDERSTANDING 14 – NON-REFUNDABLE VACATION

This letter will reconfirm our agreement resulting from the 2001 negotiations.

The Company recognizes the potential for employees to lose non-refundable vacation money used for reservations of lodging, transportation, trip packages, etc., when a planned vacation shutdown is cancelled with short notice.

In such an event, the Company will refund to the employee money of this nature upon reasonable verification of loss.

LETTER OF UNDERSTANDING 15 – INTERNATIONAL APPOINTMENT

A local Union Officer accepting an International appointment may do so without loss of the seniority he/she held prior to such appointment, for a period not to exceed twelve (12) months.

At the end of the noted twelve (12) month period, the employee can return to the bargaining unit subject to assignment to a job opening in the same job classification held by the employee prior to leaving or a lower job classification.

If the subject employee has not returned within twelve (12) months, all his/her seniority rights in the bargaining unit are forfeited.

LETTER OF UNDERSTANDING 16 – EARLY RETIREMENT INCENTIVE

In the event an early retirement incentive package affecting manufacturing salaried employees at Jefferson is offered, it will also be offered to the bargaining unit by seniority to those who are retirement eligible. The Company will determine the number of bargaining unit employees permitted to participate.

LETTER OF UNDERSTANDING 17 – REIMBURSEMENT PROGRAM

Effective July 1, 2001, all bargaining unit employees will be eligible to apply for participation in the Eastman Education Reimbursement Program in accordance with the plan rules.

LETTER OF UNDERSTANDING 18 – MAINTENANCE DEPT. FORCED OVERTIME

The following procedure will be used for Maintenance Department forced overtime:

The purpose of this procedure is to guide the Maintenance Department in the selection of needed craft people for the repair of equipment at the Jefferson Plant.

In the event craft people are needed to work over and finish work or make repairs to equipment that is deemed by management necessary to keep the plant in operation, this procedure will be followed. This procedure will address those times when all other means of securing resources from our craft people have failed.

Maintenance Overtime List - Document of hours worked and refused for the Maintenance Department.

- Hours Worked - Accumulation of hours worked
- Hours Refused - Accumulation of hours refused
- Total Hours Worked - Accumulation of both hours worked and refused

When it becomes necessary to secure craft people to continue a repair or to provide skills to a new failure on plant equipment, this procedure must be followed in the steps noted:

During the course of 2009 contract negotiations, the parties agreed to the following clarification of Letter of Understanding #18.

Continuance of a repair past normal quitting time:

- a) Job Continuation (Including Shift Utility Mechanics)

- b) Overtime list for the craft needed
- c) Shift Mechanics
- d) Forced by lowest number of overtime hours worked
 - 1. Lowest number of overtime hours worked is required to work the overtime.
(The force will come from the Craft/Group that was working on the job.) Example:
If Mechanics are working on a job, Mechanics will be forced. If Pipe/Steam are working on the job, Pipe/Steam will be forced. If Electricians are working the job, Electricians will be forced. If Shift Mechanics are working the job, Shift Mechanics will be forced.
 - 2. If more than one Craft/Group is working on the job, the force will come from the Craft/Group that is needed to complete the work. Example: If Pipe/Steam and Shift Mechanic are working on a job and someone has to be forced, the Craft/Group that has not been filled by the overtime list will be forced.

In addition, it is understood that lists are necessary for certain jobs. This is the case with Janitor and Snow Removal Overtime. People who volunteer for the overtime from working those jobs should be kept separate. Therefore, the overtime worked and refused on Janitor and Snow Removal will be kept completely separate from the normal department overtime. Effective this week, February 7, 2010, a separate Janitor and separate snow removal list will be maintained. Beginning this week, folks will be asked in order, lowest to highest, according to total hours asked and refused. These hours shall be considered separate, and will not be included in the normal department overtime lists.

LETTER OF UNDERSTANDING 19 – RELIEF OPERATOR

Relief Operators may be used to fill a temporary need in a job they are qualified in, when no other qualified operators are on site. The Company will not intentionally alter the Relief Operator's schedule to fill a void created by a Short Work Week (SWW) or vacation Overtime (OT) that is not covered.

Job Requirements:

- Minimum of 1 year plant experience
- Must hold position for 6 years from date of award
- Position is required to know up to 5 jobs. Business conditions can change what positions are added or removed
- The company will utilize the employee's existing qualifications and will assign what jobs the employee learns, though we use seniority when appropriate

Additional pay of \$.50/hr. for each qualification beyond the 4-5 jobs the Company requests

Rate of Pay for Jobs Learned

Relief Operator Trainee will be paid RC 7 on completion of their first certification in their Relief Operator progression of training, and will be paid RC 11 on the completion of their last job in their progression of Qualified Relief Operator.

Vacation Selection and Coverage

- Vacation selection is independent of jobs assigned to cover.
- When Relief is on vacation, incumbents must cover 6th Day and STD and Vacation Overtime.
- If 6th Day coverage falls on a vacation coverage day, an alternate 6th Day will be chosen. If an alternate 6th Day is not available by switching the schedule, the Relief Operator will not cover the 6th Day that week and work as assigned by the Company.
- When the Relief is working STD, they are entitled to vacation and 6th Day coverage for that job.

Overtime

- Entitled to vacation coverage OT not covered by incumbents

Other work

- If there is no 6th Day or STD for the Relief Operator to cover, they will be unassigned at RC 11 and may need to work an alternate day or shift.